Food & Agriculture (19 /) Department.

Ms. SERIES.

G.O. NO. 231
231

Dated 7th February 1957

passed
Superintendent

[Despatch Abstract]

Subj: C. S. — Procurement - Paddy and rice -
S. Kanara Dt - Procurement agency by the
S.K.C.C.W. Stores - Increase in the margin
of allowances - Ordered - Papers returned

A-2 Appointment Y 4-9-50

IMMEDIATE

ASSISTANT SECRETARY
21 SEP 1950
6253
FOOD AND AGRICULTURE DEPARTMENT

Rec'd at 6 pm 21-9-50

BOARD OF REVENUE (CIVIL SUPPLIES)

Abstract:

PROCUREMENT - Paddy and rice - South Kanara - procurement agency - increase in margin of allowance - Reader of the S. K..C.C..L. Stores -- Submitted for orders.

- -

Board's Ref: 90470-05/50 C3 dated 21--9--1950.

...

From

Sri V. S. Rejmadi, I.C.S.,
Commissioner of Civil Supplies, Madras.

Sri K. Subba Rao, B. .. ,
Joint Secretary to the Commissioner of Civil Supplies, Chepauk, Madras.

...

Ref: 1. From the President, S.K.C.C.L.. Stores, Nc.300/49-F2 dated 22-6-50 to the Collector of South Kanara, copied to the Board.
2. From the Collector of South Kanara , C. No..7-16382/50 dated 2?-7- 0.

...

In his letter first cited, the President, S.K.C.C.L.. Stores, Mangalore represented to the Collector of South Kanara that they had incurred heavy loss owing to the inadequacy of present margin of Re.0-?-3 per mura of rice and Re.0--3 per mura of paddy handled by them respectively allowed by Government for distribution in the interior villages, and requested that the procurement agency might be asked to bear the cost of transport of rice and paddy from the purchase centres to their godowns at Mangalore. The Collector who forwarded the above representation to the Board has taken up the work of procuring rice and paddy in the district and has recommended that the request of the Stores is reasonable and that a margin of Re.0-11-0 per mura of rice and Re.0-?-0 per mura of paddy may be allowed.

In this connection the Board invites the attention to G.O.Ms.No. 1, Food, dated 21-2-?, wherein it was stated, on a similar representation for increase in margin of allowance to the Stores, that they saw no justification to enhance the margin of allowances to the Stores when the ryots themselves had to bear the cost of collection and delivery of the stores. It was directed that the Collector should arrange transport charges from the collection centres to the place of issue to the retailers when the retailers' shops were away by the Stores.

While fixing the prices and foodgrains for 1?49-5?, Government fixed a margin to the stores from Re.0-?-3 to Re.0-?-3 per mura of rice. The President of the Stores in his representation of the original allowance of Re.0-?-0 per mura of rice. The Government observed in their G.O.Ms.No.0?0-, Food, dated 22-?-50 that it was not possible to fix the margin to include price of village price at the time.

A copies of the letter cited from the Stores and the report of the Collector are placed in the Board's Overnight. The Stores have furnished details of the margin of Re.0-11-0 per mura of rice in their letter dated 2?-?-50 in addition to their letter. The Board also invite attention to G.O.Ms. No. 1, Food, dated 7, wherein margin of allowances as detailed in the Stores have been fixed by the Government. The other ite

June 50

Copy of the letter No.Rc.300/49-F2 dated 22nd/from the S.K. Central Co.operative Wholesale Stores Limited No.L.472 Mangalore to the Collector of South Kanara.

Sub:- Procurement - Agency - Agency for 50-51 Stores inability to take up - Intimated

Ref:-Executive Committee Resolution dated 12-6-1950.

As the inadequacy of the margin allowed to this Stores for local procurement and distribution of rice and paddy in the district has landed this stores in heavy loss, we are unable to take up the agency for the next year i.e. 50-51. The note aprended herewith proves the economics. This was considered by the Executive Committee of this Stores and as per Resolution cited above, the Committee has recommended to the Board to discontinue the agency for the year 50-51. The formal resolution of approval of the Board will be communicated in due course. Meanwhile, please treat this as notice of our giving up procurement at the end of this year.

sd/----------
President.

True Copy.

M Shamanna
24
Superintendent

OFFICE NOTE.

Sub: Procurement - Low margin - Inadequate and unworkable - Economics of.

The enclosed statement will show the differential rates of purchase nd issue rates fixed by the Government in respect of locally procured ice and paddy since 1945-46 and the differential rate of margin accruing o this Stores thereof. The later are as summarised below:--

ear.	Rice I Class (per mura)	Rice II Class (per mura)	Paddy I Class (per mura)	Paddy II Class (per mura)
945-46 to) 1947-48)	0-8-0	0-8-0	0-4-0	0-4-0
947-48	0-8-6	0-8-6	0-4-3	0-4-3
948-49	0-9-6	0-9-6	0-4-3	0-4-3
949-50	0-9-3	0-9-3	0-4-3	0-4-3

. The margin allowed to this Stores is proving to be quite unworkable, f late. In almost all cases, the charges to be met from out of this argin have gone up far too high than is actually covered by the very light increase in margin that the Government have deemed fit to sanctio.. hat the old equilibrium that existed between the margin on the one hand, nd the charges on the other, as in 45-46 is in fact not kept up in 49-5. an be proved by an analysis of Sale tax and cost of investment alone 2 of the many items of charges) with reference to enhancement in the levy f sale tax and the purchases and release price of rice and paddy from ime to time.

hanges in the levy of sale tax.	Changes in purchases and issue price of rice and paddy (Taking rice II sort as basis).		Purchase.	Issue
1. Upto 47-48 -2 pies in the Rupee	1) upto	47-48	Rs.10 0 0	10 8 0
2. (increased to 1% or about 2 pies in the Rupee)	2)	47-48	Rs.14 7 3	14 15 6
	3)	48-49	Rs.14 6 3	14 15 9
	4)	49-50	Rs.14 0 0	14 9 3

2. In 48-49 - Increase to 3 pies in the rupee.

The increase in Sale tax consequent on the revision of rate of tax and selling rates per mura is:-

45 - 46	48-49	Increase
10-8-0 x 1½ ps. = 0-1-8	15 x 3 = 0-3-9	0-2-1

The increase in cost of investment (interest charges on Capital invested on each mura of rice, taking 3 months as the average period of stocking) consequent on the enhancement of purchase rate of each mura of rice is:--

45 - 46	48 - 49	Increase
10 x 4½ x 1 = 0-1-10 / 10 x 4	15 x 4½ x 1 = 0-2-6	0--0--8

The total increase in these two items comes to 0-2-9 per mura (0-2-1 plus 0-0-8) As against this, the margin was raised by 0-0-6 pies in 47-48 and again by 0-1-0 in 48-49. The total increase in margin was thus 0-1-6 pies only against a total rise in expenditure in the above charges of 0-2-9. Further, in 49-50, the Government reduced the margin by 0-0-3 per mura, i.e. to 0-9-3 only which meant that the enhancement over the old margin by 0-1-3 only. Thus there is a difference of 0-2-9 - 0-1-3 = 0-1-6 per mura even when the same old equilibrium between margin and charges is applied for a unit of one mura of rice.

3. Needless to say, apart from the two items of charges mentioned there have been definite risks in the rates of other items of charges also since 45-46 45-46, especially under ....

(PTO)

especially under godown rent and wages for handling and stocking. Change in times has brought in high cost of labour. Godowns are no longer available at old rates on the one hand or for seasonal requirements only. In 48-49 the Government have addressed for a suitable revision of the margin. The Collector recommended the prayer very strongly; but it was turned down by the Government. This year also, on the reduction of margin by 0-0-3 per mura, this stores put in a ptotest but it was not heard by the Government. The Board of Management of this Stores considered this matter in their resolution 172 dated 12-4-49 and urged that this Stores is, of late, unequal to undertake the sole agency of procurement and distribution.

4. The economics of the margin and the different charges it is sought to cover are explained below. In this connection, the following two points are worthy of special mention:--

(a) A co-operative institution as distinguished from any other private agency, has to meet additional statutory obligations by way of audit and verification of stocks. The departmental audit of this Stores involves a monthly average cost of Rs.2,200/- and this Stores is footing the entire cost. In fixing up margin, the Government have not taken into account a this difference obtaining between a Cooperative agency and a private agency.

(b) There is the question of depreciation of stocks due to natural causes, which has to be recognised and provided for in the margin. This was not countenanced when the margin was originally fixed.

The various charges to be covered by the margin are analysed below:

	Per mura.
(1) Sale tax payable on Rs.15-0-0 @ 3 pies	0--3--9 ✓
(2) Cost of investment @ 4½% interest on Rs.14/- for 3 months.	0--2--6 ✓
(3) Establishment and rent.....	0--2--3 ✓

Note: A commission of 0-1-8 per mura is paid to Managers remunerated by commission. In the case of local transfers, it comes to 0-2-6. All overhead charges are to be met by them. There are also paid staff in many depots. In 48-49 the charges incurred under establishment and rent comes to Rs.2,75,137-3-0 Reckoning the yearly procurement of local rice and paddy as 12 lakhs of muras in terms of rice, the charges will be 0-3-0 as per mura. A portion of this is to be borne by imported rice margin. Hence, 0-2-3 per mura is taken under this head.

(4) Cost of audit and S.V.O's audit - 2000 x 12 - 26,400) S.V.O's 4,000)	0--0--5 ✓
(5) Cost of deficit - Average ½ pavu per mura	0--0--8 ✓
(6) Overhead charges (T.A.Insurance Stationery, Books and Forms, Postage, Remittance charges)	0--0--6 ✓
(7) Net margin for the Stores to make provision for statutory funds and to meet share-holders (obligations (on 12 lakhs of muras this will fetch Rs.68,750)	0--0-11 ✓
Total.	0-11--0

Thus a minimum of 0-11-0 per mura exclusive of internal transport charges i absolutely necessary for the sound working of the Stores. In case this margin i not forthcoming, the Stores will be unequal to undertake and work the the sole agency in 50-51 and it would be surely heading to colossal financial disaster.

Sd.xxxxx
President, S.K.C.C.M.S.Ltd.,
...lore.

/True copy/

FIXATION OF PURCHASE AND ISSUE RATES FROM 45-46 ONWARDS.

R I C E.

I SORT.

	Purchase Rs.	Issue Rs.	Margin Rs.
45 - 46	10 8 0	10 - 0 - 0	0 8 0
46 - 47	10 8 0	11 0 0	0 8 0
47 - 48 (a)	12 10 0	13 2 0	0 8 0
(b)	15 11 3	16 3 9	0 8 6
48 - 49	15 10 3	16 3 9	0 9 6
~~49 - 50~~	~~15 10 3~~	~~16 3 9~~	~~0 9 6~~
(from 4-12-49)	15 5 9	15 15 0	0 9 3

II SORT.

45 - 46	10 0 0	10 8 0	0 8 0
46 - 47	10 0 0	10 8 0	0 8 0
47 - 48 (a)	12 2 0	12 10 0	0 8 0
(b)	14 7 3	14 15 9	0 8 6
48 - 49	14 6 3	14 15 9	0 8 6
49 - 50	14 0 0	14 9 3	0 9 3

PADDY

I SORT

45 - 46	--	--	0 4 0
46 - 47	--	--	0 4 0
47 - 48 (a)	5 14 0	6 2 0	0 4 0
(b)	6 15 0	7 3 3	0 4 3
48 - 49	6 15 0	7 3 3	0 4 3
49 - 50	6 12 9	7 1 0	0 4 3

II SORT.

45 - 46	--	--	0 4 0
46 - 47	--	--	0 4 0
47 - 48 (a)	--	--	0 4 0
(b)	6 6 6	6 10 9	0 4 3
48 - 49	6 6 6	6 10 9	0 4 3
49 - 50 (from 4-12-49)	6 3 6	6 7 6	0 4 0

Dated, 22-6-1950.

xd x x x
President,
C.A.C.C.W.S. Ltd.,
MANGALORE.

(True copy)

MRS: 21-9-50.

Mohamma
Superintendent

Copy of letter No.C.No.W7.16382/50 dated 29-7-1950 from the Collector of South Kanara to the Secretary to the Commissioner of Civil Supplies, Board of Revenue, Madras 5.

***

Sir,

PROCUREMENT - Rice and Paddy - South Kanara District - procuring agency - continuance of the S.K.C.C.W. Stores Ltd., report - submitted.

Ref:-1) From the President S.K.C.C.W.Stores, Ltd., Ref.C.No. 300/49-F2 dated 22-6-1950.
2) Board's Ref.No.90470/UV/50-1 dated 5-7-1950.

The South Kanara Central Cooperative Wholesale Stores, Ltd., Mangalore has been the sole procuring agent and wholesaler of this District ever since the introduction of the Intensive Procurement scheme in this District and it has now decided to give up the agency from the next Khariff year. The reason assigned for the resignation is the inadequancy of the margin of the profit now being allowed for local procurement and distribution of rice and paddy. I invite Board's attention to the office note appended to the president's letter 1st cited. It is inferred therefrom that the stores may continue to be the sole procuring agent if it is allowed a margin of Re-0-11-0 per mura of rice. The margin now allowed to the stores is too low. It is learnt that the stores had to suffer a heavy loss last year though the turn over of business amount to some crores of rupees. The basis for the claim of the enhanced margin is as follows.

1.	Sales Tax payable on Rs.15-0-0 @ 3 pies per rupee	Re. 0-3-9
2.	Cost of investment @ 4 ½ % interest on Rs.14/- for 3 months	Rs. 0-2-6
3.	Establishment and rent	Re. 0-2-3
4.	Cost of audit and S.V.O's audit	Re. 0--0-5
5.	Cost of deficit	Rs. 0-0-8
6.	Overhead charges (T.A. Insurance Stationery Postage etc)	Rs. 0-0-6
7.	Net margin to stores	Rs. 0-0-11
	Total	Rs. 0-11-0

The Stores is now allowed a margin of Re.0-9-3 per mura of rice and Re.0-4-3 per mura of paddy. I have examined the above claim of the stores and am of opinion that it is fair and reasonable. I recommend that a margin of Re.0-11-0 per mura of rice and Re.0-5-6 per mura of paddy may be allowed to the stores for local procurement and distribution of rice and paddy.

There is no other agency to take up this work either for the whole District or even for a portion of it. The local merchants Association has been consulted by me but they are not agreeable to take up the work due to inadequacy of the margin and lack of sufficient funds I invite Board's attention to paragraph 4 of this office report Ref.C. No.W7 11637/49 dated 7-6-1949 (copy enclosed for ready reference) in

P.T.O.

which, I have explained the difficulties arising out of the [illegible] of the stores to the procurement work. The same difficulties will arise again, if the stores is to give up the agency. It is therefore desirable that the stores are enabled to reconsider their decision and continue as the wholesaler and procuring agent.

3/- In the circumstances, I request that the Govt. may be pleased to accord permission to increase the selling issue price so as to leave a margin of Rs.3-11-0 per mura of wheat and Rs. -5-6 per mura of paddy.

/ True copy /

Superintendent

21.9.50

Copy of this office Ref.C.No.W7.11637/49, dated 7-6-1949 to the Secretary to the Commissioner of Civil Supplies, Board of Revenue (CS), Madras.

Sub:-PROCUREMENT-Foodgrains-South Kanara District-Procurment agency-continuance of-Financial aid-report submitted.

Ref:-1) Board's Ref.No.49068/UII-49-1,(CS), dated 21-4-1949.
2) This office L.Dis.10370/49 dated 3-5-1949.

...

I invite your attention to this office report second cited which was submitted in reply to the Board's reference first cited above.

2. As the Board is aware, in this district the S.K.C.C.W.Stores has been the sole procuring agent, storage agent and wholesaler ever since the introduction of the intensive procurement and rural lev ing schemes in 1944-45. It has got 187 Reception Depots a depot or godown for every village or agroup of small villages th out the district. It has got a well organised administrative with sufficient number of Food Inspectors, stock verificatio etc., to carry on its districtwide work efficiently. This agency was getting ~~xxxx~~ the funds required to carry on its pro work from the local and provincial cooperation Banks in the past in November last it was suddenly comfronted with a financial cri as the Bankers mentioned above refused to advance loans. The of stocks to the Reception Depots during the heavy procurement and the increase in the purchase prices in November 1948 increa the liabilities of the stores considerably and the Board and Gov ment had to come to the rescue of the stores by advancing loans the extent of Rs.35 lakhs (vide G.O.No.1141,Food d/17-12-1948 and G.O.No.1164,Food, dated 26-12-48). With the help of the loan the store was able to pay off all arrears due to the ryots and on its procurement work. There will be no difficulty for the st to continue its work till the end of this Khariff year with its sent financial resources.

3. With the experience of the last year and as the conditions regarding the financial assistance which the stores can get fro Bankers have not changed, the Executive Committee of the stores its meeting held on 22-4-1949 has passed a resolution intimating stores desire to be relieved of its agency. A copy of the reso is enclosed for favour of perusal. It will be seen from the reso that the limited financial resources of the stores is the main r for its decision to get relieved of the agency work.

4. The question of selecting agents in place of the S.K.C.C.W. was taken up immediately after receipt of the resolution of the mentioned in the previous para. This district has no organisat or individuals who can take up the agency on a monopoly basis. merchants were therefore approached through the Kanara Chamber o Commerce,South Kanara. This chamber after consultation with the Wholesale merchants has expressed the inability of the merchants to take up the agency. The merchants even if they come forward, have the same difficulty to get funds as the S.K.C.C.W.Stores as to the general policy of banks to restrict issue of loans or the curity of agricultural produce and being individual merchants th difficulty will be quarter when the S.K.C.C.W. Stores as a coopera body has not been successful in obtaining sufficient loans from Banks, one cannot expect private merchants to command better cre facilities. Apart from the finances the transfer of the agency t merchants will create new difficulties in the administration of Procurement scheme. So far, as the Cooperation Department was s vising the work of the S.K.C.C.W.Stores in addition to the Offic of the Revenue and Civil Supplies Officers and its own officers Inspectors the work in the C.S.Branches of the several offices i

P.T.O.

the District could be entrusted with limited at [illegible]. If ex-
petty agents are appointed the work of co-ordinating their activities
will be a problem. Further now that the co-operative [illegible] have de-
clined the offer to take up the agency it is extremely difficult
to find men with necessary funds and business experience [illegible] the
non-merchant class to carry on the work successfully. Even if they
could be found the inefficiency which is bound to result from giving
a number of agents will seriously affect procurement [illegible] during
the first year of the new set up. Taking into consideration all aspe-
cts, of the question, I submit that it is desirable to entrust the S.K.
C.C...Stores to continue its agency for the next kharif year by
advancing sufficient loans to meet its liabilities.

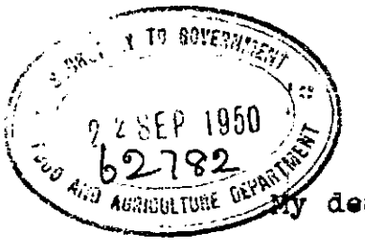
5. Over and above the ordinary credit facilities of the S.K.C.C.
Stores it may require about 50 lakhs of rupees under the Kharif pro-
curement season October, 1940 to January 1941. I request that the
Board may be pleased to address Government to sanction a loan of Rs.50/-
lakhs of rupees to the S.K.C.C.Stores for procurement during the
the next khariff year. If the sum cannot be advanced in a lump, it
may be sanctioned in two or three instalments, the latter instalments
to be granted only if there is need. However it is necessary to know
before hand whether the financial assistance can be made available
stops may be taken to continue the present agency. The Procurement
season begins by the middle of September in this District and reception
arrangements have to be made well in advance of that. I therefore,
request that very early orders may be passed in the matter and com-
municated to me.

/True copy/

EPR 21/9

Superintendent.

D.O. 90470-UV.50-5 ES



IMMEDIATE

Board of Revenue (C.S),
22nd September 1950.

My dear Kuttalalingam Pillai,

Received at 4.50 PM 22/9/50

Sub: Procurement - Paddy and Rice - South Kanara Dt. - Increase in margin of allowance - Request of the South Kanara Central Co-operative Wholesale Stores.

Ref: Board's Ref.No.90470 UV/50 dated 21-9-50

On the request of the South Kanara Central Co-operative Wholesale Stores to enhance the margin of allowances to 11 annas per mura of rice, a report has been submitted to Government in the Board's Reference noted above recommending the enhancement of allowances from the existing rate of Rs.0-9-3 to Rs.0-10-3 per mura. The S.K.C.C.W.Stores have completely stopped procurement and are not prepared to take it up until Government pass orders and communicate the same. It is doubtful if the Stores would take up procurement even if the margin of Rs.0-10-3 recommended by the Board is approved by the Government. Though considerable stocks of rice are being rushed to the district, the stock position continues to be very unsatisfactory and the latest report dated 20-9-50 shows that the district had rice adequate only for 2 days. Arrangements are, however, being made to rush stocks from Cochin Port but the main reason for this bad state is complete cessation of procurement work. The procurement of rice for the week ending 9-9-50 is 18 tons and for week ending 16-9-50 is 7 tons as against 1671 tons and 3033 tons in the adjoining district of Malabar for those 2 weeks. It is unfortunate that the Collector pleads inability to make alternative arrangements for the procurement of stocks actually available in his own district but wants stocks to be rushed from somewhere else. The position of the district is critical and it will not be possible to rush stocks continuously nor is it proper to feed the district at the peril of

ctbb

other districts when the district itself has got stocks unprocured.

In this emergency the Board feels that it is necessary to have procurement work taken up immediately on Government agency. As the harvest must have commenced already in the southern Taluks, the Collector may be instructed to start the work in the taluks in the first instance. An amount of 20 lakhs from the amount available in the P.D. account of the Commissioner of Civil Supplies can be diverted for this purpose, and an account under 85-A may be ordered to be opened in the name of the Collector, South Kanara. The village officers will have to function as procuring agents on behalf of Government and allowed to retain Government monies for payment to producers against delivery of grains. While it should be the responsibility of the village headmen to take delivery of and keep the stocks, the village karnam should maintain the necessary accounts. Details regarding the amounts to be kept at the disposal of the village headmen, mode of payment etc. are being worked out and will be communicated to the Collector on the Government approval of the proposal being received. I request you to put this up to Government immediately, obtain their orders and communicate the same as the matter is very urgent.

Yours sincerely,

N. S. Ramachalam

25/9/50

Sri M.A.Kuttalalingam Pillai B.A.,
Secretary to Government,
Food & Agricultural Department,
Fort St. George, Madras.

6471 A/20
309.

C. F. 804.—9,193 bks.—28-11-47.

OFFICE OF THE

Date 30. 9. 1950

Hours Minutes

TELEPHONIC MESSAGE.

From	To
~~Hdq~~ ft Secy to C.C.S.	Secretary P.S.A.

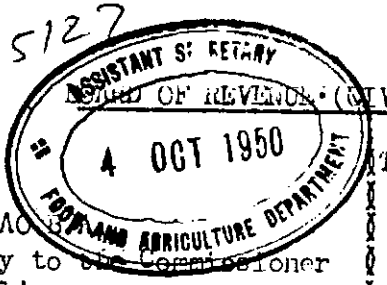
Subj: Encouragement - Paddy & Rice & Kawara dt - Increase in the wages & allowances Request of the S.K.C.C.W. Stores

Ref: Your Telegram No 62533 Adm. P.S.A. dt. 27.9.50.

The Hon'ble Q.S. Kawara has waived that he has agreed the increased Rate Rs 0/10/3 per mura to the S.K.C.C.W. Stores

Please write on both sides.

65127



BOARD OF REVENUE (CIVIL SUPPLIES)

From

Sri K. SUBBA RAO,
Joint Secretary to the Commissioner
of Civil Supplies,
Chepauk, Madras.

To

The Secretary to Government,
Food and Agriculture Department,
Madras.

=X=X=X

BOARD OF REVENUE(CIVIL SUPPLIES)
Abstract.

Procurement - Paddy and Rice - South Kanara District.

Board's Ref. No. 90470 - U.S. 50-9 (CS) dated 5th October 1950,

From

66205

ASSISTANT SECRETARY
7 OCT 1950
FOOD AND AGRICULTURE DEPARTMENT

Sri V. S. Hejmadi I.C.S.,
Commissioner of Civil Supplies.

Sri K. Subba Rao B.A.,
Joint Secretary to the Commissioner
of Civil Supplies.

Read: 1. Board's Telephone Message to Government, Food and Agriculture Department dated 30-9-50.
2. Telegram dated 1-10-50 from the Collector of South Kanara.

The Collector of South Kanara has since reported that the South Kanara C.C. Wholesale Stores have accepted the rate of Rs.0-10-3 per mura under protest and that they have started procurement work.

V. H. Balakrishnan
for Joint Secretary.

570 SD

To
The Secretary to Government,
Food and Agriculture Department,
Madras.

TKS/5.10.

EXPRESS STATE.

21

To

PRICES
Madras.

64785

REFER BOARDS TELEGRAM 90470-U-5 DATED TWENTYEIGHT STOP TELEGRAM DATED TWENTYSEVENTH RECEIVED FROM CEREALS DECIDING ENHANCEMENT (OF) PROFIT MARGIN (TO) STORES TO 0.10.3 PER ITEM STOP. INCREASED RATE OFFERED TO STORES AND (STORES) REQUESTED TO PROCEED WITH PROMPT WORK STOP STORES MEETING POSTED STUDY FOR DECISION WILL TELEGRAPH RESULT BY MAY.

COLLECTOR.

Post copy in confirmation to the Secretary, Board of [illegible] (U.S.), Cherrub, Madras.5.

Copy to the Secretary, to Government Food and Agricultural Department, Government of Madras, Fort St. George,

for [illegible]

65142

A
W 4/10/50

23

59

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

NOTICE

This form must accompany any inquiry made respecting this telegram.

Charge to pay Rs. As. Office Stamp

Handed in at (Office of Origin)	Date.	Hour.	Minute.	Service Instructions.	Works.
Collectorate					

Recd. here at H. M.

To refer government telegram
62533-A/50-2 dated twentyseventh
Stores accepted profit margin
@ 0-10-3 Per mutra and
started procurement under intent
= Collector

N. B.—The name of the Sender, if telegraphed, is written after the text.

25

TELEGRAMS: "FOOD" TELEPHONE: No. 12

K. Central Co-operative Wholesale Stores, Ltd., No. L. 472

Post Box No. 124, MANGALORE.

Ref. No. S.C.91/50-F2 SPECIAL. Dated 29th Sept., 1950.

64787

From

Sri M. Shiva Rau, President,
S. K. C. C. W. Stores Ltd.,
MANGALORE.

2/10/50

To

The Collector of South Kanara,
MANGALORE.

Sir,

Sub: Procurement - Rice and paddy - 1950-51 - Continuance of agency - Enhancement of margin.
Ref: Your D.O. (Special) No. W7-16382/50 Dated 28-9-1950.

I am in due receipt of your letter cited intimating the sanction of Government for increased margin of profit to this Stores from Rs.0-9-3 to 0-10-3 per mura of rice. In the reference, I have been asked not to press for further enhancement of the margin in the interest of the consumers. I quite appreciate your anxiety to make the wholesaler's margin operate as lightly as possible on the consumers and I quite agree with the principle which has prompted you to do so. At the same time, we cannot forget that the wholesaler has to get a margin sufficient to pay his expenses and that the undertaking of this agency by any business concern should not make it out of pocket. In our case, the claim for enhancement of the margin of 11 annas per mura is based on the figures worked out by the auditors of the Co-operative Department in full detail which has been furnished to you. It is not to be treated as a claim which any ordinary merchant would do in order to make more profit. Time and again I have submitted that the Stores is putting itself to loss by undertaking this procurement agency and that if it did so in the past, it is owing to a strong sense of service both to Government and to the public during these strenuous times of deficiency of food. I am the last person to allow the Stores to make any extravagant and exaggerated demand in order to make more money out of this procurement. The audited balance sheet of last year is a witness to prove conclusively that on the margin of Rs.0-9-3, we have lost to the extent of over Rs. 55,000. It is therefore that the Department which is bound to see to the welfare of an institution like ours took upon itself to work out, at my request, an economic margin and accordingly on its working, we claimed Rs.0-11-0. The present reduction by 9 pies is not based on any calculation or on any argument. It seems to me that it is arbitrary. If once it is admitted that the margin has to be enhanced, I cannot follow how the line has been drawn by reducing our claim by only 9 pies. After all, this 9 pies which has been cut from our claim leads nowhere. It does not benefit the consumers at all, because the wholesaler's margin has to be charged on the consumer who purchases in retail at seers. As one mura consists of 42 seers, a margin at 2 pies per seer brings only 7 annas. The next step is to charge 3 pies, in which case Rs.0-10-3 will be realised per mura. But the margin now allowed is only Rs.0-10-3. I am unable to see why even this 3 pies should be cut. It is very important that the margin should be a multiple of 0-3-6 per mura. Therefore, in all equity and reason, the margin deserves to be raised to at least Rs.0-10-6 instead of Rs.0-10-3 as at present. If at least this is done, I have every hope that I can prevail upon the Board of Directors to permit me to enter on the procurement agency.

I have called for an emergent meeting of the Executive Committee of this Stores on 1st October 1950 and I am placing this matter

p.t.o.

before the meeting; but I am very doubtful if they will be able themselves to agree to take up the present attempt to do substantial reduction.

I shall feel greatly thankful, if you will kindly direct the Board immediately to move the Government that case for sanction of the full margin claimed at I.C- 1-C or at least Rs.2-12-0 now suggested by you without recovery. Orders may be called for by telegram as the matter is emergent.

Yours faithfully,

President.

Copy submitted to the Secretary to Government, Food and Agricultural Department, Fort St. George, Madras.
Copy submitted to the Registrar of Co-operative Societies, Madras.
Copy to the Deputy Registrar of Co-operative Societies, Mangalore.

bc/-

FOOD AND AGRICULTURE (A)

Memo No. 62533 A/50-4 dated 14.10.50

SUB: PADDY AND RICE - South Kanara District - Procurement agency.

The R.C.S. is requested to furnish urgently copies of the Audit reports in respect of the South Kanara Central Cooperative Wholesale Stores Ltd., for each of the years since the time it took up procurement and distribution work upto date.

Memo No. 62533 A/50-5 dated 14.10.50.

SUB: PROCUREMENT - Paddy and rice - South Kanara District - Procurement agency by the S.K.C.C. Wholesale Stores - Replacement of the Stores.

REF: (1) From the Bd. of Rev.(CS) 90470 U5/50-5 dated 21-9-50.
(ii) Bd's D.O.No.90470 U5/50-5 CS d/-22-9-50

The Govt. feel that the attitude of the S.K.C.C. Wholesale Stores in threatening that they would give up procurement work unless an increase in the profit is granted is not proper and is highly reprehensible. They, therefore, consider that such threats from the Stores should be put an end to by finding a suitable substitute for the Stores. The Bd. is therefore requested to examine the possibility of replacing the Stores by another agency, provided it promises to be at least as efficient as the Stores in procurement and at the same time less costly in the sense, that the new agency would be satisfied with smaller incidentals than what the Stores have been asking for. The Bd. is also requested to consider in this connection the feasibility of appointing some of the private wholesalers in Malabar District who have been displaced consequent

SPECIAL.
Ref.C.No.16382-W7-50.

S.Kanara Collector's Office,
Mangalore dated 12-10-50.

From 68226

JA[illegible]HED,B.Sc(Hons.)
Collector of SouthKanara.

To

The Secretary to the
Commissioner of Civil Supplies
Board of Revenue (Civil Supplies)
Chepauk Madras 5.

Sir,

Sub: Rice and paddy--1950-51--continuance of agency-enhancement of margin.

Ref: 1.Board's Ref.No.90470-U5-50-1 dated 5.7.50.
2.This office reports Ref.C.No.W7.16382-50 d/29.7.50, 10.8.50, 30.8.50 and 6.9.50.
3.My D.O Ref.C.No.W7.16382-50 dated 9.9.50.
4.My telegram dates 19.9.50 and 21.9.50.
5.Board's telegram dated 21.9.50.
6.My telegram dated 26.9.50.
7.Government telegram dated 27.9.50.
8.Board's telegram dated 28.9.50
9.My telegrams dated 29.9.50 and 1.10.50.
10.My D.O Ref.C.No.16382-W7-50 dated 30.9.50 to the Joint Secretary.

***

As already reported in my Telegram dated 1-10-1950 to the Board, the Executive Committee of the S.K.C.C.W.Stores Ltd Mangalore at its meeting held on 1-10-1950 has accepted the profit margin of R.0-10-3 offered to the stores under protest and started procurement work in anticipation of the Govern ent's allowing at least an extra margin of R.0-0-3 per mura of rice which will make the total margin of 0-10-6 per mura.

2.I enclose a copy of the President's letter R.C.91/50-F2 special dated 29.9.50 and R.C.91/50-F2 special dated 1.10.50 with a copy of the resolution of the Executive committee of the stores. The data for the total profit of R.0-11-0 in a mura claimed by the stores was furnished in this office Ref.C.No. W7.16382-50 dated 29.7.50. Though the stores have been doing the procurement work ever since the introduction of the Intensive Procurement order, it has not been able to earn any profit so far. In view of this fact and in view also of the fact that the consumers' price will not be effected much on account of this small increase of 3 pies in the profit margin, the request of the stores made be considered as is reasonable and the Board may be pleased to move the Government in the matter.

Yours faithfully,

For Collector.

Copy to the Secretary to Government (Food and Agriculture) Department Fort St. George Madras 9.

Copy of letter R.C.91/50-F2 special dated 29.9.50 from Sri M. SHIVA RAU, President, S.K.C.C.W.Stores Mangalore to the Collector of South Kanara, Mangalore.

***

Sub: Procurement--rice and paddy--1950-51--continuance of agency--enhancement of margin.

Ref: Your D.O.(Special) No.W7.16382-50 dated 28.9.50.

***

I am in due receipt of your letter cited intimating the sanction of Gove n ent for increased margin of profit to this stores f om R.0-9-3 to 0-10-3 per mura of rice. In the reference I have asked not to press for further enhancement of the margin in the interest of the consumers. I quite appreciate your anxiety to make the wholesaler's margin operate as lightly as possible on the consumers and I quote agree with the principle which has prompted you to do so. At the same time, we cannot forget that the wholesaler has to get a margin sufficient to pay his ex---

es and that the undertaking of this agency by any business concern should not make it out of pocket. In our case, the claim for enhancement of the margin of 11 annas per mura is based on the figures worked out by the auditors of the co-operative Department in full detail which has been furnished to you. It is not to be treated as a claim which any ordinary merchant would do in order to make more profit. Time and again I have submitted that the stores is putting itself to loss by undertaking this procurement agency and that if it did so in the past, it is owing to a strong sense of service both to Government and to the public during these strenuous times of deficiency of food. I am the last person to allow the stores to make any extravagant and exaggerated demand in order to make more money out of this procurement. The audited balance sheet of last year is a witness to prove conclusively that on the margin of Rs.0-9-3 we have lost to the extent of over Rs.55,000. It is thefefore that the department which is bound to see to the welfare of an institution like ours took upon itself to work out, at my request, an economic margin and accordingly on its working, we claimed Rs.0-11-0. The present reduction by 9 pies is not based on any calculation or on any argument. It seems to me that it is arbitrary. If once it is admitted that the margin has to be enhanced, I cannot follow how the line has been drawn by reducing our claim by only 9 pies. After all, this 9 pies which has been cut from our claim leads nowhere. It does not benefit the consumers at all, because the wholesaler's margin has to be charged on the consumer who purchases in retail at seers. As one mura consists of 42 seers, a margin of at 2 pies per seer brings only 7 annas. The next step is to charge 3 pies, in which case Rs.0-10-6 will be realised per mura. But the margin now allowed is only Rs.0-10-3. I am unable to see why even this 3 pies should be cut. It is very important that the margin should be an multiple of 0-3-6 per mura. Therefore, in all equity and reason, the margin deserves to be raised to at least Rs.0-10-6 instead of Rs.0-10-3 as at present. If at least this is done, I have every hope that I can prevail upon the Board of Directors to permit me to enter on the procurement agency.

I have called foran emergent meeting of the Executive Committee of this stores on 1st October 1950 and I am placing this matter before the meeting but I am very doubtful if they will take upon themselves to agree to take up the procurement agency with this substantial reduction.

I shall feel highly thankful, if you will kindly address the Board immediately to move the Government at once for sanction of the full margin claimed at Rs.0-11-0 or at least at Rs.0-10-6 as now suggested by me without recourse. Orders may be solicited by telegram as the matter is emergent.

/True Copy/

For Collector.

IC/13-10-50.

Reminder

Food & Agri

Memo. No. 62533 A/50 – 8 Dated

Sub: Procurement - paddy and rice Kanara district - Procurement by the S.K.C.C. W Stores of allowances - increase.

Ref: From the Collector of S. Kanara C.No-16382 - W7-50 dated 12.10.50 to the C.C.S and copied to the Govt.

The attention of the Bd. of Rev is invited to the Collector's letter cited & it is requested to state when the Bd's remarks thereon may be expected. The matter should be treated as specially urgent.

Dpd 10 AM 22/11/50

for the Bd. of Rev (CS)

21/11/50

21-11-50.

22/11/50

P.S.H. 22/11/50.

file with parality.

SPECIAL

BOARD OF REVENUE(CIVIL SUPPLIES)

Subject:-

PROCUREMENT - Paddy and rice - South Kanara district - Procurement. agency by the S.K.C.C.W Stores - Increase in the margin of allowances Request - Collector's report - Remarks called for.

xvxvxvx

From
Sri J.C.Ryan, M.A.,
Registrar of cooperative societies,
Chepauk, Madras.

To
The Secretary to Government,
Food and Agriculture Department,
Fort St. George, Madras.

No.Rc.139927/50.S.2 (Confidential) Dated 7-11-1950.

ASSISTANT SECRETARY
13 NOV 1950
FOOD & AGRICULTURE DEPARTMENT

Sir, 74582

Sub:-Procurement - Agency - South Kanara district- The South Kanara District Cooperative Central Wholesale Stores Limited- Final audit reports- submitted.

Ref:-Confidential Memorandum No.62533-A/50-4, Dated 14-10-1950 (Food and Agriculture Department).

******

I submit herewith copies of the Final Audit Reports of the South Kanara Cooperative Central Wholesale Stores for each of the years from the time it took up procurement work viz., 1943-44 to 1948-49. The Final Audit of the stores for the year 1949-50 is not yet completed. If required, a copy of it will be submitted on completion of audit.

FOR REGISTRAR.

AVS/11-11.

Memo No. 62533 A/50-9. Dated 12-12-50

Sub: Procurement - Paddy and rice - Sri Kamara district - procurement of - Audit reports - further report - call for

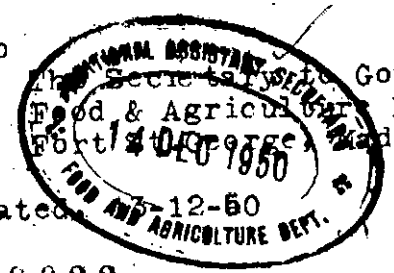
Ref: From the R.C.S. No. Rc 139927/50-52 dated 7-11-50.

It is observed from the Audit Reports of the S.I.C.C.I.W. Stores [illegible] that it had earned net profits in each of the years from 1943-44 to 1948-49. But it is not known whether the net profit referred to above was on paddy and rice alone or whether had incurred loss in the trade of paddy and rice and made the loss under other commodities. The R.C.S. Madras is requested to submit a clear report to Govt.

Cooperative Department.

From
Sri K. Subrahmanyam Nayudu, M.A.,
Registrar of Cooperative Societies,
Chepauk, M a d r a s.

To
The Secretary to Government,
Food & Agriculture Department,
Fort St. George, Madras.



R.C.No./66620/50-S.2 Dated 17-12-50

82922

Sir,

Sub: Procurement - l---, -nd rice - South Kanara district - procurement agency of the South Kanara Central Cooperative Wholesale Stores Ltd., -
Ref: Memorandum No.62533 A/50-9 dated 12-12-50 (Food and Agriculture Department)

1439 letters

The particulars required by Government are not available with me. The Deputy Registrar, Mangalore is the authority who issues the Audit Certificate of the stores and I have called for the particulars from him before 17-12-50. I shall submit my report to Government by the 18th.

13/12/50.

13/12

For Registrar.

Food & Agri (A

T. M No. 62533 A/50

From

The Asst. Secy.
Food & Agri Dept

To R.C.S

The Asst. Secy.
to C.C.S.

Subs: Procurement - Paddy and rice - S. Krishna district - procurement agency of S.I.C.C.C. W. Stores Ltd.

Ref: your letter No. RC No. 166620/50-S2 dated 13.12.50.

—

Please expedite the report promised in your letter cited. The matter is extremely urgent.

C. in confirmation

Two drafts

Reminder Draft I

Frodd Agm (A)
45

Pl. issue at once
gh 27/12/50

Memo No. 62533 A/50-10 Dt 27-12-50

Sub: Procurement - paddy and rice South Canara district - Procurement agency by the S.K.C.C.W. Stores - Increase in the margin of allowances - request - reminder called for

Ref: From the Bd. of Rev (M) Ref No. 90470-05-50 dated 25.11.50.

The Bd. of Rev (M) is requested to state whether the further report from the Collector of S. Canara has been received and if so, when the Bd's report to the Govt. may be expected.

gh 27/12/50

27.12.50

The Bd. of Rev (M)

P.T.O.

BOARD OF REVENUE (CIVIL SUPPLIES) MADRAS.

Subject:

Procurement - Paddy and Rice - South Kanara District - Procurement agency by the South Kanara Central Co-operative Wholesale Stores increase in the margin of allowance - Request - Report.

Board's Ref.No.90470-U5-50-14. Dated, 6--1--51.

1656

From

Sri V.S. Hosmadi, I.C.S.,
Commissioner of Civil Supplies.

--

Sri K. Subba Rao, B.A.,
Joint Secretary to the Commissioner of
Civil Supplies.

--

Read: 1. From the Collector of South Kanara, 16382,W7- dated, 12-10-1950.
2. Government Memo No.62533-A/50-10 dated, 27-12-50.

In his report cited above the Collector of South Kanara recommended that the extra margin of 0-0-3 pies per mura making the total margin 0-10-6 per mura claimed by the South Kanara Central Co-operative Wholesale Stores may be allowed to the Stores. In view, however, of the orders of the Government in their Memorandum No.62533-A/50-5 Food and Agriculture dated 14-10-1950 asking the Board to investigate the probabilities of replacing the South Kanara Central Co-operative Wholesale Stores as procuring agents, the Collector's proposal was not submitted to the Government immediately. The Collectors of Malabar and South Kanara reported that no private merchants could be found to take up the procurement work in South Kanara district. In their D.O. No.28160-A/50-10, Food and Agriculture dated, 12-12-50 the Government have also stated that it is not feasible to extend the Government purchase scheme to the South Kanara District. The Intensive Procurement Scheme itself has since been discontinued in that district. The agency of the South Kanara Central Co-operative Wholesale Stores, may however, have to be continued for procurement under the levy scheme of procurement which will take the place of the intensive scheme.

In these altered circumstances, the Board recommends that the extra margin of 0-0-3 pies per mura to the South Kanara Central Co-operative Wholesale Stores may be allowed as recommended by the Collector of South Kanara.

for Joint Secretary
6.1.51

To 6.1.51

The Secretary to the Government, Food and Agriculture Department, Madras.

Copy to the Collector of South Kanara.

IRS:6-1-51.

Extract taken from file bearing S.No.2816/A/50.

---:--

To A...

Please see the notes of Secretary from p. 29 above.

Item 8 on p. 30 above relates to D. section and item 7 above relates to A2. They are having separate files on these questions. Relevant extracts of notes of Secretary may be given to them for necessary action.

Revenue Department are concerned with item 5 above. Extracts may be sent to them for consideration.

After giving extracts, a note will be put up on the other items.

M.L.
8/1/51.

(True extract)

kvr/9151.

Superintendent.

To A2

9/1/51

Extracts from the file bearing C.No. 2816/A/50-

This deputation is already in Madras. M.M.(Food) is meeting the deputationists at 12 noon tomorrow.

M.A.K.
5/1/1951.

Mr.Shiva Rao representing the Wholesale Cooperative Stores, South Kanara, waited on a deputation on M.M.Food to day and explained the point of view of the Cooperative Stores in regard to the following claims made by the Stores against Government and which are awaiting disposal by Government. Mr.Nejmudi, Commissioner of Civil Supplies, and Mr.Ghulam Muhmood, Secretary to the Commissioner of Civil Supplies were also present.

7. The last item related to increase in the margin to the wholesaler from Rs.0-10-3 to 0-10-6, in view of the reasons explained already in the letter. C.C.S. said that the Board was also recommending this slight increase of 3 pies. M.M.Agreed to give this increase, which will be included in the retail selling price.

M.A.K.
6/1/51.

(True extract)

kvr/9151.

Superintendent
9/1/51

Copy of resolution from the letter re.971/49-P. [illegible] November 1950 from the President, The Central Co-operative [illegible] Stores Ltd.,

---

RESOLUTION.

The Committee after careful consideration of the whole matter, is in entire agreement with the President's proposal to terminate the agency with effect from 1-1-1951 but, before taking that drastic step, under the compelling force of circumstances confronting the Stores, the Committee considers that a conciliatory approach may be made to Government to get justice in regard to this and other claims pending with Government and also sanction of the additional margin of three months asked for. The President and Director (Planning) are authorised to personally interview concerned authorities at Government level for the purpose. They are hereby authorised to notify orally that the agency will be [illegible] given up unless the conditions set forth above are fulfilled. The remittance into the Treasury of the balance of Rs.23,95[illegible] is kept in abeyance pending the result of this special deputation.

xx xx xx

Sd/- P.Shivarao,
President.

(True copy)

kvr/9151.

Secretary.

Immediate

FOOD & AGRICULTURE(A).

MEMORANDUM No. 62533-A/50 12 Dated 19--1--1951.

Sub: Procurement - Paddy and rice - South Kanara District - Procurement agency by the S.K.C.C.W.Stores - Increase in the margin of allowance - Ordered.

Ref: Govt.'s telegram No.62533-A/50-4 Food & Agri. D/27-9-50. From the Board of Rev(CS)Ref.No.90470-U5/50-4 D/6-1-1951.

---:---

In the circumstances reported by the Board of Revenue(C.S) in its reference 2nd cited, the Govt. accept its recommendation that the extra margin of Re.0-0-3 per mura of rice making the total margin Rs.0-10-6 per mura, claimed by the S.K.C.C.W.Stores may be allowed to them. The Board is accordingly requested to issue instructions to the Collector of South K. in the matter. The increased margin should be recovered from consumers by suitable increase in release price.

To

The Board of Rev(C.S).
The Collector of S.Kanara.
Copy to the ~~Proprietor~~ President-Dist. items 2 & 3 only.
S.K.C.C.W.Stores, Mangalore.

From
Sri J.C. Ryan, M.A.,
Registrar of Cooperative
Societies, Madras.

To
The Secretary to Government,
Food and Agriculture Department,
Fort St. George, MADRAS.

R.C.No.166620/50 S2 Dated: 22nd January 1951.

Sir,

Sub:- Procurement--Paddy and Rice--South Kanara District Procurement agency--further particulars furnished
Ref:- Government Memo. No.62533 A/50-9 dated 12.12.1950

****

The South Kanara Central Cooperative Wholesale Stores was given monopoly of procurement for the entire district. It procured and distributed local rice and paddy. It also imported foodstuffs and distributed them through its depots. General trading business, such as sale of mill and Handloom cloth, consumer goods, jaggery, sugar, general provisions agricultural implements, etc. is also done through these depots. Separate accounts are maintained for each depot and the audited figures of the depots are compiled for preparing the Balance Sheet of the stores as a whole. No separate accounts are however, kept for procurement and other businesses. Nor was the maintenance of separate accounts possible, as the stores, in order to minimise the expenditure, had to move general goods from its Head Office to depots and from one depot to another along with procured food grains, in the same conveyance. Expenditure, such as interest on borrowings, godown rent, transport charges, establishment, wages contingent expenses, etc. was borne in common for general goods as well as procured goods. It is not, therefore, possible to state whether the loss sustained by the Central Stores was on account of the loss in the general trading business. The bulk of the business of the stores was through procurement. During 1947-1948, in a report of the Deputy Registrar I find that procurement work accounted for 70% of the total turnover. The gross profit on account of procurement was only 1.66% on the procured stock whereas the cost of management represented 2.1% of the sales turn over. There are therefore reasons to believe that the loss might have occured on account of procurement business. Government have also since recognised this fact and have enhanced the margins allowed for procurement to Rs.0.10.3 per ~~Madras Measure~~ Para of rice.

For Registrar.

J.K.S.d/23.1.

17,002—9-3-50.

FINAL AUDIT REPORT

For the year ended 30th June 1949.

(CO-OPERATIVE STORES.)

I. (1) Number and name of the stores .. .. .. L472 The South Kanara Central Wholesale Co-op Store Ltd. Mgl. also

(2) Date of registration .. .. 28.3.1943.

(3) Date of starting .. .. 28.3.1943.

(4) Headquarters of the stores .. .. Mangalore.

(5) Area of operation .. .. South Kanara District.

(6) Postal address .. .. Mangalore

II. (1) Name of the auditor .. .. List of Auditors enclosed.

(2) Headquarters of the auditor .. .. -do-.

(3) Dates of audit .. .. Mentioned in individual depot audit report

(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. Yes. Number of visits and days spent are in individual depot audit report.

II. Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.	466	240	42	748	75600	144350	15450	235400	1512	2887	309	4708
(2) Admitted during the year.	2	3	..	5	1250	45150	300	46700	25	703	6	734
(3) Removed during the year.	6	3	-	9	2800	3600	-	6,400	56	72	-	128
(4) At the end of the year ..	462	240	42	744	74050	185900	15750	275700	1481	3718	315	5514

V. Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1948-1949. Under class B.

(2) The society was classified in

1945-1946 .. .. .. Under class B

1946-1947 .. .. .. „ B

1947-1948 .. .. .. „ B

NOTE.—Refer to the instructions given below regarding the classification of societies.

Note for Classification of Societies.

Class

A Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class society.

B Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C All other societies.

D A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

No. I.

for the year ending 30th June 1949.

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	2,800	-		
(b) Societies	3,600	-		
(c) Institutions			6,400	
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits — Short term				
(i) Fixed deposits — Long term				
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term	3,801	-		
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	13,545	8		
(iv) Others—				
Cash credit				
(c) Central Banks — Short term	219,46,675	3		
(c) Central Banks — Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
(i)				
(ii)				
(iii)				
(f) Other loans (specify) — Short term			2,19,64,021	11
(f) Other loans (specify) — Long term				
Credit sales issued — Short term				
Credit sales issued — Long term				
3. Stock bought—				
Own goods	2,34,24,260	4		
Consignment goods	28,394	6		
Sales returns	54,889	8		
do — Consigned goods	-	6	235,33,387	2
4. Payment out of profits of previous years—				
(i) Reserve fund	40,806	3		
(ii) Honorarium				
(iii) Dividend	10,579	1		
(iv) Common good fund	3,200	-		
(v) Bonus or rebate on purchases	44,934	5		
(vi) Price Fluctuation Fund				
(vii) Dividend Equalization Fund				
(viii) Building Fund — Excess bonus paid to staff	1,281	12		
(ix) ~~Bad debt reserve~~ Bonus to staff	7,960	12	1,08,762	1
5. Establishment and Contingencies (vide Annexure for details).	4,27,245	15	4,27,245	15
6. Miscellaneous payments—				
(i) Penalties — Trading Account (for details page 12)	65,63,414	-	65,63,414	
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for supervision				
(v) Sales tax				
Carried over	5,26,03,230	13	5,26,03,230	13

I—*cont.*

or the year ending 30th June ending 19[illegible]9—*cont.*

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..	526,03,230	13	526,03,230	13
9. Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items .. .. Court Cost	1,344	4	1,344	4
9. Adjusting heads (give details)—				
Due to society .. Suspense Assets	131,78,724	13		
Due by society .. Suspense Liabilities ..	14,97,843	14	226,56,568	11
10. Investments made—				
(i) Furniture bought	4,109	3		
(ii) Current a/c. with Bank of Mangalore ..	7	4		
(iii) ex-d. Deposit in ... Bank (Building)	25,000	-		
(iv) -do- .. .. (Basket ...)	2,000	-		
(v) Revenue Deposits	250	-		
(vi) Current a/c. with Bank	7,78,991	7	8,10,357	14
Net Loss of 47-48 Appropriated	1,00,057	7	1,00,057	7
Interest paid	2,28,730	4	2,28,730	4
Major Establishment	33,576	10	33,576	10
Collectors' a/c	1,06,462	6	1,06,462	6
Government Extra Levy Charges	366	4	366	4
Government Bonus Coupons	1,93,113	-	1,93,113	-
Margin of profits set off against transport charges	1,620	2	1,620	2
Eliminated items	167,39,874	13	167,39,874	13
Total	934,75,302	8	934,75,302	8
Closing balance	1,89,075	13	1,89,075	13
Grand total	936,64,378	5	936,64,378	5

STATEME

Balance Sheet

			2,051	-	23,6
			9,563	-	1,513
			26,54	-	27,125
			1,07,854	15	73,530 13
			58,74,525	15	- 38,00,447 4
			2,75,720	-	2,35,400
				22	+ 422 12
				262	1
					35 1 +
Contribution for ~~end~~ [illegible]		Income Payable	174	0	
~~Sundries~~		Collection a/c	219,760		2,71,615 4
Adjustments (specify)		Revenue Reserve	25,000	-	25,000 -
		Other Reserve	1,000		1,000 -
		Expense liabilities			
		Insurance and Railway freight	1,12,783	15	76,867 11
		Coolly charges	22,918	9	
		Bonus surcharge due to Collector	1,247	5	
		Milling and processing charges	5,941	10	
		Bills Payable	19,634	8	
Unclaimed profits of previous [illegible]			2,86,091	13	
(i) Honorarium			-	-	1,620 2
(ii) Dividend			14,468	7	13,163 -
(iii) Common good fund			2,997	1	5,163 1
(iv) Bonus or rebate on purchases by members			24,479	4	44,934 5
(v) Price Fluctuation Fund or business losses reserve					
(vi) Dividend equalization fund			11,000	-	11,000 -
(vii) Building fund			45,671	7	40,671 7
(viii) Bad debt reserve			7,000	-	7,000 -
(ix) Bonus to staff			1,642	2	9,602 14
(x) Undisbursed profits			21,054	5	3418 1
3 Reserve fund—	Audit Objection		-	-	183 -
Separately invested			1,83,035	7	1,42,229 4
Yet to be invested					182 12
9. Total Liabilities			75,01,339	3	91,07,345 7
3. Net difference between [illegible] and Liabilities			12,543	6	1,00,057 7

on 30th June 1949.

Assets.	At the end of the year. Rs.	A.	At the beginning of the year Rs.	A.
1. Cash—				
(1) On hand	1,89,075	13	1,48,525	11
(2) In Bank				
(i) Current account in SCCBank	39,585	10	29,146	13
(ii) Current account in Surathkal Co.	—	11	—	11
(iii) Current account in Bank of Mangalore	—	—	11 92	12
(iv)				
(v)				
2. Other investments—				
(i) Reserve fund—In Inscribed Stock	100	-	100	-
(a) In the Co-operative Central Bank	1,46,835	7	1,06,029	4
(b) ~~In the debentures of the Central Land Mortgage Bank.~~ In the 3% No II Victory Bonds	16,100	-	16,100	-
(c) In ~~Defence Bonds or~~ National Savings Certificates	20,000	-	20,000	-
(ii) Shares taken in the Co-operative Central Bank	1,96,000	-	2,37,000	-
(iii) Shares taken in the Central Stores				
(iv) Shares in other Co-operative institutions Fire and General Assurance Society	100	-	100	-
(v) Fixed deposits in SCCBank (Building Fund)	45,671	9	20,671	9
" " " (Bad debts Reserve)	7,000	-	5,000	-
~~3. On it sales~~ Revenue Deposits	2456	4	2206	4
(a) Due by members				
(b) Due by directors				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term — Considered good				
Short term — Doubtful				
Miscellaneous Long term — Considered good	22,597	9	11,439	1
Trading Account — ~~Doubtful~~	2,45,578	6	2,27,050	14
5. Interest accrued on credit sale				
Do. investments				
6. Other items				
(i) Value of furniture and equipments *less* depreciation	14,620	—	12,590	-
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased				
(iv) Library Motor Car				
(v) Value of ~~machinery built~~ less depreciation	3,786	-	5,680	-
vi) Value of lorries owned less depreciation	9,691		20,035	-
7. Value of stock on hand — Own goods	53,34,455	10	58,57,191	4
Mill cloth	573,160	11		
Consignment goods	6,207	9		
Tyres	300	1	350	—
Tubes	21,556	8	19,057	8
8. Adjusting heads (specify)— (i)				
(ii) Coir Coals	1,344	4		
(iii) Expense Accounts	6,14,241	9	24,65,336	15 —
(iv) Canteen deduction			279	15 —
(v) Audit objection			183	—
(vi) Excess Bonus paid to Staff	3,418	1	2136	5 —
(vii)				
(viii)				
(ix)				
(x)				
9. Total Assets	75,13,882	9	72,07,402	14

No. III.

for the year 30th June ending 1949

Profit.	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—	344	1		
Add—				
(*b*) Interest accrued, but not overdue	—	-		
Total ..	344	1		
Deduct—				
(*c*) Interest accrued at the end of the previous year ..	—	-		
Net ..	344	1	344	1
Recovery of doubtful debts	13,183	7	13,183	7
2. Gross profits as per trading account .. .. —	5,31,846	4	5,31,846	4
3. Miscellaneous income—				
(i) Amount realized	1,44,343	2.		
Add—				
(ii) Amount pending recovery	22,597	9.		
Total ..	1,66,940	11		
Deduct—				
(iii) Amount pending realization at the end of the previous year.	11,439	1		
Net amount ..	1,55,501	10	1,55,501	10
Total ..			7,00,875	

	Rs.
NOTES.—(1 Net profit as per Statement No. II	12,343
(2) * *Deduct* profit included in the balance sheet but not available for distribution.	
or	
† *Add* profits of previous years now made available for distribution	
Net amount or total available for distribution as per profit and loss statement above ..	12,543

* There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV

Statement of Overdue Assets and Liabilities.

D , *Collect o* *Balance*

Number	Item	Amount	
		Rs.	A.
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.	17.	5
	2. Amount paid	17.	5
	3. Balance		
II. Service Fund.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		

III. Loans and deposits etc. by the stores.		Short terms.		Long terms.	
		Rs.	A.	Rs.	A.
	1. Amount payable on account of the current year with arrears of previous years.	21,16,521	11		
	2. Amount for which extension was granted lasting beyond the year.	—			
	3. Repaid during the year out of the amount in column (1)	21,16,521	7		
	4. Paid in advance, if any				
	5. Total [columns (2)+(3)+(4)]				
	6. Balance [columns (1)—(5)]				

IV. Amount due by [illegible]			
	1. Amount that fell due during the year with the arrears of previous years.		
	2. Amount paid during the year		
	3. Balance		
V. Amount due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.	1,71,320	4
	2. Amount recovered during the year	1,53,733	2
	3. Balance [columns (1)—(2)]	17,587	2
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.		
	2. Amount recovered during the year		
	3. Balance [columns (1)—(2)]		

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Entrance fees for shares	16	8	—	-	16	8			16	8
(b) Transfer fees for shares										
(c) Dividend on share capital—										
(i) Central Bank	7406	4			7406	4			7406	4
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv) Fire and General Insurance Society	5				5	-			5	-
(d) Interest on Reserve Fund invested	3180	14			3180	14			3180	14
(e) Interest on other investments	938	3	663	1	1601	4	311	12	1289	8
(f) Sales tax collected										
(g) Sale-proceeds of books and forms										
(h) Other items (specify)—										
(1) Copying fees	151	5			151	5			151	5
(2) Threshing Allowance	79	14			79	14			79	14
(3) Rent	7001	5	2856	12	9858	1	1343	5	8514	12
(4) Books & forms	186	13	-	-	186	13			186	13
(5) Other items	446	10			446	10			446	10
(6) Establishment Charges	1565	3	-	-	1565	3			1565	3
(7) Insurance	5773	2	1591	5	15,384	7	8153	14	7230	9
(8) Survey Section	110,893	3	4695	2	115,588	5	-		115588	5
(9) Miscellaneous income	4834	11			4834	11			4834	11
(10) Commission Land Improvement	1762	15	781	13	2544	12			2544	12
(11) Postage	28	-	-	-	28	-			28	-
(12) Stationery	53	4			53	4			53	4
(13) Interest on Victory Loans			2092	13	2092	13	1630	2	462	11
(14) Interest due on National Savings Certificate			1916	11	1916	11	—		1916	11
	144343	2	22577	7	166140	11	11439	1	155501	10
Trading Account receipts										
1. Sales Tax Collected	65,001	11			65,001	11			65,001	11
2. Excise Duty collected	1700	3			1700	3			1700	3
3. Octroi Surcharge	146,922	5			146,922	5			146,922	5
4. Transport Surcharge	256657	7	68637	15	324,695	6			324,695	6
5. Rice charges	14,784	10			14,784	10			14,784	10
6. Bill Receivable	7606	8	6934	7	14540	15	7992	1	6548	14
7. Suspense Account	36954	5	47552	15	84507	4	37745	6	46,761	14
8. Export charges	318,621	1	107,376	2	425,997	11	181313	7	244,684	4
9. Excess difference between actual value and book value	-	-	4620	11	4620	11			4620	11
10. Stock deficit recoverable from Manager	9,208	7	1403	5	18,611	12			18611	12
11. Deficit due from Millers			1052	15	1052	15			1052	15
Total	1658857	1	245578	6	1902435	7	227050	14	1675384	9

NOTES— (1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

ANNEXURE II TO STATEMENT No. I DISBURSEMENTS

[illegible] PARLIAMENT AND [illegible]

Particulars.	Paid.	Due at the end of the year.				
(1) Total sum as per Budget	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(2) Contingencies :-						
(a) Account books	11,527 6		[illegible]	[illegible]	11,[illegible]4 6	
(b) Postage	[illegible]		[illegible]		[illegible]	
(c) Stationery	2530 10		[illegible]		[illegible]	
(d) Re-mittance charges	[illegible]		[illegible]		[illegible]	
(e) Affiliation fees						
(f) Delegation fee						
(g) Lighting	[illegible] 4		92 4			
(h) Cleaning	[illegible] 12		[illegible] 12			
(i) Coolie	[illegible] 4 2		[illegible] 2		[illegible]	
(j) Repairs	[illegible]		[illegible]	[illegible]	[illegible]	
(k) Rent	[illegible]		[illegible]	[illegible]	[illegible]	
(l) Rates and taxes—other than Income-tax.	2 [illegible] 12		2 [illegible]		2 [illegible]	
(m) Printing charges						
(n) Subscription to [illegible]						
(o) Ground rent	6 -		[illegible]		6 -	
(p) Insurance charges (fire and war risks).	[illegible] 13		[illegible] 13		[illegible]	
(q) [illegible]	[illegible] 4	[illegible]	[illegible] 2	[illegible]	[illegible]	
(r) Miscellaneous	5 [illegible]	27 2	[illegible]	4 13	[illegible]	
(s) [illegible]	364 15	- -	[illegible]	-	[illegible]	
(t) [illegible]	[illegible]		[illegible]		[illegible]	
(u) [illegible] Boiler	[illegible] 12		[illegible]	[illegible]	[illegible]	
(v) [illegible] Boiler	3610 2	-	3610 2	- -	3610 2	
(w) [illegible] purchased	150 4	- -	150 4	- -	150 4	
(x) Cycle hire	110 11		110 11	-	110 11	
(y) Bank Commission	307 1	-	307 1		307 1	
(z) Miscellaneous money paid	171 8	- -	171 8		171 8	
(a1) Cost of Audit	17,958 15	- -	17,958 15	13550 1	4408 14	
b1) Telephone charges	252 -	- -	202 -	- -	252 -	
c1) Cost of Hoskyns Specific Gift		3988 1	3988 1	- -	3988 1	

Total ..	42724	15	50742	9	47 7988	8	35861	4	442127	4

ANNEXURE III TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
Gingelly oil production—										
(a) Coolie for drying and cleaning ..										
(b) Cost of jaggery purchased ..										
(c) Milling charges										
(d) Packing of tins or casks and other charges.										
(e) Cartage to and from mill										
(f) Other items (handling)										
Dhall production—										
(a) Coolie for washing, drying and cleaning.										
(b) Cost of red mud										
(c) Grinding charges										
(d) Cartage to and fro										
(e) Other items, if any (handling) ..										
Conversion of paddy into rice—										
(a) Hulling charges										
(b) Storage charges										
(c) Cartage to and fro										
(d) Other charges (handling)										
(4) Any others (hats, etc.)										
			Trading		Account		Payments.			
1 Coarse hire & Kuliem paid	665709	-	22,918	9	688027	9	14660	3	673367	6
2 Coolie charges	203261	6	1247	5	204508	11			204508	11
3 Boat and Bunny hire	90439	6			90439	6			90439	6
4 Harbour & charges	265	13			265	13			265	13
5 Mukki, charges	298	7	-	-	298	7		-	298	1
6 Packing Charges	413	-	-		413	-			413	
7 Paddy seed, spirit & out [illegible]	10,31,738	15	5141	10	1037680	9	408	-	1037272	9
8 Excise duty returned	2	4			2	4		-	2	4
9 [illegible] charges [illegible]	1417	15			1491	13			1497	13
10 [illegible] Cess paid & out [illegible]	360,121	11	57178	15	417300	10	2146	-	411154	10
11 [illegible] & forwarding charges	112067	3	17634		132501	11	47348	4	84700	
12 [illegible] Rent Payable	4040777	-	248091	2	4288868	13	4046777	-	288091	2
13 [illegible] Tax Payable	-	-	1746		1746			-	1746	
Total Rs	6563444	-	397187	2	6960601	2	4168159	7	2792441	11

Details of Establishment (To be shown Separately for General Section and Procurement Section.

Name of incumbent.	Designation.	Scale of pay.	Actual pay drawn.	Travelling Allowance fixed, if any.

List showing godowns owned or rented by the Stores as on . 0 6 194 .

Serial number	Name of the Depot that engaged godowns.	Number of godowns owned or engaged with place of location.	Rent per mensem.	Capacity of godowns in terms of bags.	Number of godowns sufficiently safe.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Auditor.

List of stock held by the Stores for more than six months as on 30 . 6 . 1949.

Serial number	Particulars of items.	Date or dates of purchases.	Quantity in Stock.	Average purchase price.	Actual value of stock on	Probable loss involved, if any.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Auditor.

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 30. 6. 1949.

Particulars.	Rs.	A.	Particulars.	Rs.	A.
			25107438-12 54689-14		
(1) Value of stock on hand at the beginning of the year.	5876598	12	(1) Sale proceeds less sales returns ..	25052548	14
(2) Value of goods bought during the year less purchase returns. 23478497-4-0 Less Rebate 15770-2-0	23462,727	2	(2) Value of goods on hand at the end of the year. 5334,455-10. Consignment goods 6207-9. Work in progress 57316-11 Gunnies & empties 21556-8 Old tyres 3.00	5935680	6
(3) Trade charges paid 4096797-0-0 Add pending payment. 288091-13-0 (i) Lorry account paid and due 4384888-13-0 (ii) Processing or Manufacturing Account Expenses paid and due Less last years pending	288091	13	Trading a/c Receipts 1656857-1 Add pending receipt 245578-6. 1902435-7. Less last years pending Receipt 227050-14	1675384	9
(iii) Sales tax paid and due					
Trade charges paid 1434878-1. do— pending 103153-11 1538031-12 Less last years 70954-7	1467077	5			
Bonus Surcharge paid 1031738-15 do— due 5941-10. 1037680-9 Less last years 408.	1037272	9			
Total ..	32131,767	9	Total ..	32663613	13
(+) Gross profit ..	531,846	4	(—) Gross loss ..		

APPENDIX No. (1)

A. Details of doubtful debts.

Member number. (1)	Details of amount outstanding. (2)		Doubtful debts probable loss. (3)		Reasons for considering the amount as doubtful. (4)
	Rs.	A.	Rs.	A.	

B. Details of assets written off.

Particulars of assets written off. (1)		Amount written off. (2)		Reasons for writing off. (3)
Rs.	A.	Rs.	A.	
		— Nil —		

APPENDIX N

(a) *Debts to*

Particulars.	Pending at the beginning of the year (assets).	Issued during the year.	Total of columns (2) and (3).	Realised during the year.	Balance outstanding at the end of the year.
(1)	(2)	(3)	(4)	(5)	(6)
	RS. A.	RS. A.	RS. A.	RS. A.	RS. A.
1. Advances due—					
(a) From members					
(b) From merchants or suppliers					
(c) From others					
1					
2					
(3)					
2.					
3.					
4.					

(b) *Debts by Society—*

Particulars.	Pending at the beginning of the year (liabilities).	Received during the year.	Total of columns (2) and (3).	Paid during the year.	Balance outstanding at the end of the year.
(1)	(2)	(3)	(4)	(5)	(6)
	RS. A.	RS. A.	RS. A.	RS. A.	RS. A.
1, Advances due to—					
(a) Members					
(b) Merchants or suppliers ..					
(c) Others (specify) ..					
(1					
(2)					
(3)					

(c) *Other items*—

	Rs.	A.
(1) Value of furniture at the beginning of year	12590	
Do. bought during the year	4109	3
Less furniture sold during the year Total	16,699 – 3	
	454 – 1	
Deduct depreciation at 10 per cent	1625 – 2	
Value at the end of the year	Rs 14620 – 0	

(2) Is a register of furniture maintained ? Take stock and certify In the living Depts at Head office registers are maintained in the [illegible]

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society.

Auditor.

	Rs	A.
(3) Value of society's buildings at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(4) Value of Library books at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(5) Adjusting heads written off		

(Give particulars.)

(d) *Immovable properties purchased by the society*—

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court ? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value ? Is a register of immovable properties purchased maintained ? Give particulars below :—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

	Rs.	A.
(2) Expenses incurred on their maintenance including kist paid to Government		
(3) Income realised		

(4) Attach a certificate from the directors in the following form :—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society and that the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

(e) *Lorries*—

(i) Value at the beginning of the year

(ii) Bought during the year

(iii) Total

(iv) Deduct depreciation at £20 p.c. for 5 years and

(v) Value at the end of the year

(f) Cars and Other vehicles *Other Car*

(i) Value at the beginning of the year

(ii) Bought during the year

(iii) Total 3786 –

(iv) Deduct depreciation at £20 p.c. for 5 years and 1514 –

(v) Value at the end of the year 3786 –

(g) Details of stock of empties including gunnies on 193 .

	Number. (2)	Value. (3)
		£s. d.
1. Stock at beginning of the year		
2. Purchases made in the year or got in the course of trade		
3. Received by transfer from one depot to another		
Total ..		
4. Transfer to other depots		
5. Sales in the year or released to retailers or customers in fact in the course of trade		
Total ..		
6. Stock on		

NOTES.—(1) Figures in columns (3) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct.

Auditor

(A) Normal borrowings — Rs 60,73040-14-0

Share capital 2,75,700-0-0
Reserve fund 1,83,035-7-0
4,58,735-7-0 X 8
36,69,883-8-0
General.

19

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund? Compare it with actual borrowings. (A)

I.a) Eight times the paid up share capital plus reserve fund and the Registrar has fixed the M.B.P. by special reference to procurement from time to time. The Registrar has reduced the M.B.P. to 20 times the paid up share capital plus Reserve fund as per Rc 10438 3/48 SII dated 6.1.49 till 31.3.49. It was extended for a further period of 3 months i.e. upto 30.6.49 in Registrar's D 89978/49 SII dt 1.4.49. The limit is reduced to 15 times the paid up share capital plus Reserve fund as per Registrar's Rc. 86674/49 SII dated 27.7.49 from 1-7-49 to 31-10-49

(2) Was it exceeded at any time? How long? By how much?

No.

(3) What is the total working capital of the stores? As per reference to Registrar's circular — Rs 65,31,776-5-0.

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest? If not, give particulars, omit cases where extensions have been sanctioned.

Yes.

5) What is the total cash credit given by the Central Bank ~~and what is the total credit accommodation given by the Central Stores~~? Was the limit exceeded at any time? If so, by how much and for what period?

Rs 82 lakhs from 20.1.49.

No.

(6) Was the cash balance verified? What is the cash balance and does it agree with the entry in the cash-book?

Yes, by various Auditors in various depots, General Section and Cloth Section etc. Secretary at the Head office and Managers in depots

(7) Who is in charge of the cash balance? And who is responsible for it under the by-laws of the stores?

(8) Is the cash book closed on each day on which there are transactions? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President?

Yes, except those noted in the defect sheet by various Auditors.

(9) (a) Has the stores taken adequate security from the employees who permanently or occasionally handle cash?

In majority of cases, securities have been obtained.

(b) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society?

(c) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings? Please append a statement in the following form :—

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(d) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security? Have they given a certificate to this effect? If so, append a copy of it to the audit report.

(e) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate?

(f) Are there cases of violation of Rule XXVII-B? If so, specify the instances with full particulars.

Notes—(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. in words (Rupees) on and found it to agree with the cash-book."

Separately furnished in Audit Report of Depots and Head office

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

II. The rates of interest given by the stores are as follows :—

(a) On deposits from individuals.
1. Fixed deposits.
2. Trade deposits.
3. Provident fund deposits.
4. Security deposits from staff.
5. Others.

} 3% and 3½%

(b) On loans from Central Bank. 4½%

(c) On cash credit from Central Bank.

(d) On borrowing from the Central Stores.

III. (1) (a) Has the stores maintained all the books and registers prescribed by the Registrar? State the names of the books or registers not maintained.

Yes, except those noted in the defect sheets of individual depots general and food stores.

(b) State the number of branches or depots working on the last day of the year? How are the branch accounts incorporated in the main accounts of the head office? Is it daily or monthly?

191 depots on 30.6.49 Depot accounts are not incorporated in Head office but are compiled for audit purpose by the Auditors.

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales?

Yes.

(3) Did you check the sales chit completely or only test-check them? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

Yes

Dates of last three audit reports	Total number of audit notes in each report

(4) Is there an internal check of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

(5) Are the stock books written up properly and up-to-date? Is the certificate of stock regarding maintenance of accounts duly given promptly on the last day of account?

(6) Are there any sub-committees such as Prices sub-committee, Purchases sub-committee, etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each committee?

(7) Has the store introduced the departmental system for receiving goods? If so, is it working satisfactorily?

(8) Are the stock accounts maintained at the rate register for goods received and issued? Is the stock ledger tallied periodically with the bin cards and the purchases, issue and Stock Register maintained at the head office?

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register? Yes.

(12) Have all the invoices been properly entered in the accounts?

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

Auditor.

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? (This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

(14) Give details of the establishment of the stores. (See a separate statement annexed.) Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

(15) Is the stores making its purchases from the district contractor wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

(16) Has the stores worked out its own standard of depreciation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

(17) (*a*) When was the directorate elected last? Give their names.

(*b*) Do they meet at frequent intervals as required in By-law No. 21?

(*c*) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

(*d*) Are any of the directors disqualified to hold office under Rule XXVII.

Stock verification officers check each and stock in transaction ... Cleared daily ... but ... not ... not ... checked

... Purchase Committee ... with ... Central ... system is not found necessary

Ledger registers are maintained for goods received and released from time to time.

Managers in depots and Manager in Head ...

General departmental stock verification is not done every quarter by the Directors. In the depots at Mopassie, Stock was verified by the stock verification officers periodically. Annual verification was made by the departmental officers also; but much differences were observed. Where differences were observed action were taken.

Yes, except those mentioned in the Summary of the various depots.

Credit purchases are generally in respect of food grains supplied through the collector. Collectors account have been reconciled.

Separately furnished

There is a Central wholesale Stores.

No. the practice prevailing is that the President is permitted to allow depreciation in Stores upto Rs 100/- and anything exceeding this limit is decided by the Executive Committee.

Thirteen directors were elected on 5.7.49 and to be nominated by the Registrar in Rec. 6691/9/49 SI d 2.6.49.

They met whenever necessary.

— No —

— No —

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Reserve fund	143012	-	40023	7	183,035	7	—		1,83,035	7
(b) Honorarium										
(c) Dividend at per cent	13,163	-	11,884	8	25,047	8	10,679	1	14,468	7
(d) Common good fund	5163	1	1,034	-	6,197	1	3200	-	2,997	1
(e) Bonus or rebate on purchases by members ..	44,934	5	24479	4	69,413	9	44,924	5	24,471	4.
(f) Price fluctuation fund or business losses reserve..										
(g) Dividend equalization fund	11,000	-	—		11,000	-	—		11,000	—
(h) Building fund	40,671	9	5,000	-	45,671	9			45,671	9
(i) Bad debts reserve	7,000	-	—		7,000	-	—		7,000	—
(j) Undisbursed profits	3418	1	17,636	4	21,054	5	—		21,054	5
Bonus & rebate	9,602	14			9,602	14	7,960	12	1642	2
	277.964	14	100,057	7	378,022	5	66,674	2	3,11,34	3

CERTIFICATE TO BE FURNISHED BY THE AUDITOR.

I the undersigned ... duly authorised to audit the accounts of the ... stores society hereby certify that I have audited the accounts of the said ... society on dates ... and further certify subject to the remarks noted hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores.

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposit and borrowings shown in the ledger; ... not ... verified.

(c) that the outstanding amount in respect of credit sales in the case of ... is within the limit prescribed in the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due to different purchasers shown in the balance sheet tally with the total of the purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the balance of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the items shown against the persons in the ledgers; ... not ... verified at the time ...

(g) that the value of the stock as per verification statement agrees with that shown in the balance sheet and that individual items in the stock sheets were checked with reference to the balance shown in the stock sheets;

(h) that the Board of Management of the stores have appended a certificate of ... and that in my opinion the estimate of the Board of Management is fairly correct. ... and the ... created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorised and within the budget allotment;

(j) that I have examined the investments made by the society with reference to the documents and ... and also checked them by obtaining information from the banks in which the securities are held and ... amounts shown as outstanding in the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the internal check employed by the stores is efficient and that it was test-checked with following results;

(m) that the quarterly stock taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the defects noticed;

(n) that I checked on ... the actual stock in respect of the following articles and found it to agree with the book balances.

NOTE.—Discrepancies if any, in such articles should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorized.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE, Mangalore
Dated 9-2-1950.

(Sd) E. M. Subrahmanian, (Sd) S. Keshavashekara.
Auditor. *Auditor*

AUDIT CERTIFICATE.

(Sd) Audit certificate by Sri M. Krishna Shetty, B.A., Deputy Registrar of Co-operative Societies, Mangalore on the accounts of South Kanara Central Co-operative Wholesale Stores, Limited, for the year ended 30th June 1949.

The accounts of the South Kanara Central Co-operative Wholesale Stores, Limited. in the Mangalore taluk of South Kanara district, for the year ended 30th June 1949. as audited by Sri S. Keshavashekara, ... Rs. 13 ... passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by them are appended.

2. The year of audit is the Seventh ... the year of the society's working.

3. *Members and share capital.*—The number of members ~~rose~~ fell from 748 ... at the beginning of the year to 744 ... at the end of the year.

The share capital of the members amounted to Rs. 2,75,700/- ... against Rs. 2,35,400/- at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. 60,75,540-14-0 at the close of the financial year.

5. *Trading account*—The value of stock at the beginning of the year was Rs. 58,76,598-12-0 stock to the value of Rs. 234,62,727-1 was bought during the year, less purchase returns, etc. The total sales excluding sales returns, etc., amounted to Rs. 250,52,548-14-0. The value of stock at the end of the year was Rs. 59,35,680-6-0 ... The transactions resulted in a gross profit/~~loss~~ of Rs. 5,31,846-4-0

6. *Net profits.*—The stores earned/~~sustained~~ a profit/~~loss~~ of Rs. 12,543-6-0 for the year. According to by-law No. 40 of the stores of the net profit, viz., Rs. 5017-6-0 ... should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws.

7. *Reserve Fund.*—The Reserve Fund of the stores amounted to Rs. 1,83,035-7-0 at the beginning of the year. With the addition of Rs. 5,017-6-0 ... ordered in the above paragraph, the total of the Reserve Fund will be Rs. 1,88,052-13-0. ~~The stores has utilised Rs. ... of its Reserve Fund in its business.~~

8. *Business Reserve*—The amount to the credit of the Business Reserve created by the stores was Rs. 28,000/- at the end of the year.

(Sd) M. Krishna Shetty
Deputy Registrar.

(True Copy)

Deputy Registrar 2-11-50

2/11/50

(1) Sri M. Thimmappa Rai.
(2) " M. S. Devarao, B.A.,
(3) " P. Sunder Bhat,
(4) " T. K. Narayan, B.A.,
(5) " E. M. Subrahmanian, M.A., L.T.
(6) " U. Gopalkrishna, B.A.,
(7) " M. S. Koubaka,
(8) " C. G. Rao, B.A.,
(9) " K. Poovappa, B.A.

Junior Inspectors.
(1) Sri H. Sunder Alva
(2) " Srinivasa Rao
(3) " A. V. Ullal
(4) " K. Nemiraja Rai

17,002—9-3-50.

FINAL AUDIT REPORT

For the year ended 30th June 1948.

(CO-OPERATIVE STORES.)

I. (1) Number and name of the stores .. .. 2472. The South Kanara central Wholesale Stores.
(2) Date of registration .. .. 28-3-43.
(3) Date of starting .. .. 28-3-43.
(4) Headquarters of the stores .. .. Mangalore
(5) Area of operation .. .. South Kanara district.
(6) Postal address .. .. Mangalore

II. (1) Name of the auditor .. .. List of auditors enclosed.
(2) Headquarters of the auditor .. .. do. ——
(3) Dates of audit .. .. Mentioned in individual depot audit reports.
(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. } yes. number of visits and days spent noted in individual audit reports.

III. Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.	455	241	40	736	75,150	148450	15350	2,38,950	1563	2969	307	4779
(2) Admitted during the year.	16	4	2	22	1200	750	100	2050	24	15	2	41
(3) Removed during the year.	5	5	—	10	750	4850	—	5,600	15	97	—	112
(4) At the end of the year ..	466	240	42	748	75,600	144350	15450	2,35,400	1512	2887	309	4708

IV. Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1947-1948. Under class B.

(2) The society was classified in

1944-1945 .. .. .. Under class B.
1945-1946 .. .. .. " B
1946-1947 .. .. .. " B.

NOTE.—Refer to the instructions given below regarding the classification of societies.

Note for Classification of Societies.

Class

A — Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class society.

B — Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C — All other societies.

D — A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

STATEME[illegible]

Receipts and Disbursements

Receipts.			
1. Share capital			
(a) Individuals	1209 —	2050 —	2050 —
(b) Societies	750 —		
(c) Institutions	120 —		
2. Deposits and borrowings from—			
(a) Members—			
(i) Fixed deposits — Short term			
(i) Fixed deposits — Long term			
(ii) Trade deposits			
(iii) Provident fund for staff			
(iv) Security deposit from staff		5255 —	
(v) Others			
(b) Non-members—			
(i) Fixed deposits — Short term		3175 —	
(i) Fixed deposits — Long term			
(ii) Provident fund for staff			
(iii) Security deposit from staff		154 —	
(iv) Others			
Cash credit			
(c) Central Banks — Short term	542	2292 [illegible] .3	
(c) Central Banks — Long term			
(d) Central Stores			
(e) Others — Short term			
(e) Others — Long term			
(i)			
(ii)			[illegible] 5 2-6
(iii)			
3. Recovery of credit sales			
4. Sale-proceeds—			
Own goods		2059068 — .3	2559068 — .3
Consignment goods			
5. Return or refund of purchases		17470 12	17470 — 12
6. Processing or manufacturing account			
Value of gingelly seeds — Utilized for processing or conversion.			
Value of redgram — Utilized for processing or conversion.			
Value of paddy — Utilized for processing or conversion.			
7. Interest		2136 — 3	2136 — 3
8. Miscellaneous income—			
(i) Entrance fees 2 vide P II for details		200 312 — 6	200 312 — 6
(ii) Penalties 3 Trade charges received		179371 — 7	179371 — 7
(iii) Interest on investments—			
(a) Reserve fund			
(b)			
(iv) Dividend on shares in—			
(a) Central Bank			
(b)			
(v) Other heads— Subsidy from Govt		42174 — 11	42174 — 11
(1) Bonus Surcharge due to collector		704597 —	704597 —
(2) Margin of profit on transfer of [illegible]		33162 7 — 15	33162-7 — 15
(3) collectors' account		46201 — 8	46201 — 8
(4) Major establishment due from collector		12320 — 8	12320 — 8
(5)			
(6)			
Carried over			4705745 — 9

No. I.

for the year ending June ——— 1948

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	5,600	—	5,600	—
(b) Societies				
(c) Institutions				
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits .. .. Short term	21,799	—		
Long term				
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits .. .. Short term	28,576	—		
Long term				
(ii) Provident fund for staff				
(iii) Security deposit ~~from staff~~	1294.24	4		
(iv) Others—				
Cash credit				
(c) Central Banks .. .. Short term C.C.A. —	21968145	10		
Long term				
(d) Central Stores				
(e) Others .. .. .. Short term				
Long term				
(i)				
(ii)				
(iii)			2214794	14
(f) Other loans (specify) .. Short term				
Long term				
3. Credit sales issued .. .. Short term				
Long term				
4. Stock bought—				
Own goods	1980528	13	1980528	13
Consignment goods				
Sales returns	4,315	10	4,315	10
5. Payment out of profits of previous years— Profits of 46-47 appropriated	169928	13	169928	13
(i) Reserve fund	95485	10	95485	10
(ii) Honorarium				
(iii) Dividend	11330	10	11330	10
(iv) Common good fund	6579	1	6579	—
(v) Bonus ~~(rebate on purchases)~~ to Staff —	7508	13	7508	3
(vi) Price Fluctuation Fund				
(vii) Dividend Equalization Fund				
(viii) Building Fund				
(ix) Bad deb reserve				
6. Establishment and Contingencies (vide Annexure for details).	515526	7	515526	7
7. Miscellaneous payments—				
(i) Penalties				
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for super vision				
(v) Sales tax				
Carried over ..			4280995	10

STATEMEN

Receipts and Disbursements

Receipt.	Rs.	A.	Rs.	A.
Brought forward ..			4[illegible]-[illegible]-9	
9 Adjusting heads (give details)—				
(a) Due to society (Share transfer)	1[illegible]9[illegible]-12			
(b) Due by society (Subscriptions)	5[illegible]7	7	2[illegible]3	
10. Investments withdrawn—				
(i) Rs. [illegible] Deposit	3.[illegible]-[illegible]			
(ii) [illegible]	[illegible]			
(iii) [illegible]	[illegible]			
(iv)				
(v)				
(vi)				
[illegible]	5[illegible]-[illegible]			
[illegible]	4746-32	4.3	9752494	2
[illegible]	4611-11		4611-11	
Sale of [illegible]	55934-12		55934-12	
[illegible]	[illegible]		[illegible]	
Amount withdrawn from [illegible]				
Reserve fund	5[illegible]			
[illegible]	[illegible]			
[illegible] Fund	[illegible]			
Reserve [illegible]	4.934-5			
Dividend equalisation Fund	1[illegible]			
Building Fund	[illegible]			
Bad debt Reserve [illegible]	2000			
Bonus to staff	.3035-11			
undisbursed [illegible] (no allowance)	3418-1		169928-13	
11. Total			78688285-8	
12. Opening balance			174073-10	
13. Grand total			78862359-2	

No. I—*cont.*

for the year 30-6- **ending 195**4—*cont.*

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..			42809498	10
8. Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items .. S. Asset due from Staff (leaving excess bonus paid)	2136	5	2136	5
9. Adjusting heads (give details)—				
Due to society .. (Suspense Assets)	15803628	8		
Due by society .. (Suspense liabilities)	5887912	15	21691541	7
10. Investments made—				
(i) Furniture bought	2626	7		
(ii) Revenue deposits	2553	0		
(iii) C.A. in Bank of Mangalore ..	8072	8		
(iv) C.A. in S.C.C. Bank ..	12859	4		
(v) Fixed deposits in S.C.C. Bank ..				
(vi) (Building Fund with S.)	6886	—	1306121	15
canteen a/c (S.d.) Sales	1333	11	1333	11
gunny bags purchased	73572	3	73572	3
Trade charges	1649426	14	1649426	14
interest paid	134124	3	134124	3
Assets written off	707	14	707	14
Bonus Surcharge paid to collector	914061	—	914061	—
Margin of Profit on transfer of Local (rice & paddy) collectors a/c	326215	—	326215	—
	40635	4	40635	4
Major Establishment to collector	11964	15	11964	15
Eliminated items	4746732	13		
Eliminated items	500576	5	9752494	2
11. Total			78713833	7
12. Closing balance			1485525	11
13. Grand total			78862359	2

STATEMENT

Balance Sheet

Liabilities.	At the end of the year.	At the beginning of the year
Loans and deposits—		
a) Members—		
(i) Fixed deposits — Short term	23051 —	44850 —
(i) Fixed deposits — Long term		
(ii) Trade deposits	850 —	23051 —
(iii) Provident deposits for staff		
(iv) Security deposits from staff		
(v) Others	7925 —	
(b) Non-members—		
(i) Fixed deposits — Short term		
(i) Fixed deposits — Long term		
(ii) Provident fund for staff		
(iii) Security deposits from staff		
(iv) Others		
(c) Central Bank — Cash credits, Short term		
(c) Central Bank — Long term		
(d) Central Stores — Short term		
(d) Central Stores — Long term		
(e) Others		
2. Share capital		
3. Interest due		
4. Processing and manufacturing charges pending payment		
5. Establishment and contingent charges due	26161 —	
6. Other items—		
(i) Sales Tax due		
(ii) Contribution for and interest		
(iii) Supervision		
(iv) Adjusting heads (specify)		
(a)		
(b)		
(c)		
(d)		
(e) Bills payable		
(f) Trade advances due		
7. Undisbursed profits of previous years		
(i) Honorarium	13163 —	12508 —
(ii) Dividend	5163 1	6742 —
(iii) Common good fund	960 2 14	4076
(iv) Bonus or rebate on purchases by members		
(v) Price Fluctuation Fund or business losses reserve	11000 —	10000
(vi) Dividend equalization fund	40671-9	20671
(vii) Building fund	7000 —	50-00
(viii) Bad debt reserve	44934-5	
(ix) Rebate on purchases	3418-1	
(x) Undisbursed profits	142229-4	46743
8. Reserve fund—	782-12	27719
Separately invested		
Yet to be invested		
9. Total Liabilities	910734-5-7	346906
10. Net difference between assets and Liabilities	100059-7	16992

No. II.

on 30—6—1948

Assets.	At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
1. Cash—				
(1) On hand	1485-25	11	174073-	10
(2) In Bank C.A in Bank of Mangalore	11-92	12	210-	9
(i) C.A in Surathkal C.S.	—	11	—	11
(ii) C.A. in S.C.C. Bank	29146-	13	1811.1-	2
(iii)			1928-	5-3
(iv)				
(v)				
Other investments— in inscribed Stocks	100	—	100	—
(i) Reserve fund— in National Savings	20000	—	20000	—
(a) In the Co-operative Central Bank	106029	4	10543-	10
(b) In the ~~debentures of the Central Land Mortgage Bank~~ R.F in 3½ Govt Promissory Bonds	16100	—	16100	—
(c) In Defence Bonds or National Savings Certificates				
(ii) Shares taken in the Co-operative Central Bank	2,37000	—	237000	—
(iii) Shares taken in the Central Stores Fire & General Insurance Co	100	—	100	—
(iv) ~~Shares in other Co-operative institutions~~ Reserve deposits	2206	4	2759-	4
(v) Fixed deposits in S.C.C. Bank	25671-	9	18785-	9
3. Credit sales—				
(a) Due by members				
(b) Due by directors				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term — Considered good				
Short term — Doubtful				
Long term — Considered good				
Long term — Doubtful				
5. Interest accrued on credit sales				
Do. investments				
6. Other items Miscellaneous income	11439-	1	46981-	5
(i) Value of furniture and equipments *less* depreciation	12590	—	17723	—
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased.				
(iv) Library				
(v) Value of ~~machinery~~ car motor held less depreciation	5680	—	7575	—
(vi) Value of lorries owned less depreciation	20035	—	30379	-
Suspense Excess Bonus paid to staff recoverable	2136-	5		
7. Value of stock on hand — Own goods				
7. Value of stock on hand — Consignment goods				
8. Adjusting heads (specify)— Suspense Asset	2465336-	15	1111005-	3
(i) Canteen a/c (audit objection)	279-	15	2767-	9
(ii) Audit objection (4.3-44)	183	—	183	—
(iii) Stock of tyres at value	350	—		
(iv) Value of gunnies	1905-	8		
(v) value of Stock on hand	585719-	4	166630-	3
(vi) Transport charges due from govt	18131-	7	8864-	3
(vii) Bills Receivable	7992-	1	87260-	3
(viii) Subsidy due from govt	3774-	6	79920-	1
(ix) Margin on transport charges				
(x) on local rice and paddy			3792-	12
9. Total Assets	9207402-	14	3638997-	0

STATEMENT

Profit and Loss Account

Loss.	Rs.	A.	Rs.	A.
1. Interest paid and due—				
(a) Paid	3 1 2 4 - 3			
Add—				
(b) Interest pending payment	9 4 3 4 - 12			
Total ..	1 2 5 5 9 - 3			
(c) *Deduct*—Interest pending payment at the end of the previous year	2 9 - 3			
(d) Net amount	12 5 3 2 - 0		12 5 3 2 - 12	
2. Establishment and contingent charges paid and due ..	4 4 1 8 - 12		4 4 1 8 - 12	
3. Assets written off as bad debts	7 2 7 - 4		7 2 7 - 4	
4. Miscellaneous items .. .. { Depreciation	1 5 3 8 6 - 12		5 3 - 1 - 12	
{ Other items				
5. Provision for doubtful assets	1 0 0 - 0		2 7 - 8	
6. ~~Last year's loss~~ Previous year's Reserve	3 0 0 0 - 0		3 0 0 0 —	
Total ..	6 0 5 6 3 - 0		6 0 5 6 3 - 0	
7. Net profit (+; ~~or loss (—)~~			1 0 0 5 7 - 12	

Depreciation

Furniture - Rs 3147 - 12 - 0
Lorries — Rs 10344 - 0 - 0
car — Rs 1895 - 0 - 0
Rs — 15386 - 12 - 0

No. III.

for the year 30—6— ending 1948

Profit.	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—	2136	3		
Add—				
(*b*) Interest accrued, but not overdue				
Total ..	2136	3		
Deduct—				
(c) Interest accrued at the end of the previous year ..	—	—		
Net ..	2136	3	2136	3
collection of doubtful asets	8770	15	8770	15
2. Gross profits as per trading account	530023	13	530023	13
3. Miscellaneous income—				
(i) Amount realized	20032	6		
Add—				
(ii) Amount pending recovery	11439	1		
Total ..	21751	7		
Deduct—				
(iii) Amount pending realization at the end of the previous year.	46981	5		
Net amount ..	164770	2	164770	2
Total ..			705701	1

	Rs.	A.
NOTES.—(1) Net profit as per Statement No. II	1000	57 7
(2) * *Deduct* profit included in the balance sheet but not available for distribution.		
or		
† *Add* profits of previous years now made available for distribution	—	— —
Net amount or total available for distribution as per profit and loss statement above ..	—	— —
	1000	57 7

* There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV.

Statement of Overdue Assets and Liabilities.

Demand, Collection and Balance.

Major head.	Item.	Amount.	
		Rs.	A.
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		
II. Supervision Fund.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		
		Short term.	Long term.
		Rs. A.	Rs.
III. Loans and deposits due by the stores.	1. Amount payable on account of the current year with arrears of previous years.	[illegible]	
	2. Amount for which extension was granted lasting beyond the year.	— —	
	3. Repaid during the year out of the amount in column (1) ..	[illegible]	
	4. Paid in advance, if any	— —	
	5. Total [columns (2) *plus* (3)]	—	
	6. Balance [columns (1)—(5)]	—	
		Rs.	A
IV. Interest due by the stores.	1. Accrued and falling due during the year with the arrears of previous years.	[illegible]	
	2. Amount paid during the year	[illegible]	
	3. Balance	— —	
V. Amounts due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.	31233 —	
	2. Amount recovered during the year	28180 —	
	3. Balance [columns (1)—(2)]	3053 —	
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.		
	2. Amount recovered during the year		
	3. Balance [columns (1)—(2)]		

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(*a*) Entrance fees for shares	22	—			22	—			22	—
(*b*) Transfer fees for shares										
(*c*) Dividend on share capital—										
(i) Central Bank	74 11	4			74 11	4			74 11	4
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv) ..										
(*d*) Interest on Reserve Fund invested ..	888	9			888	9			888	9
(*e*) Interest on other investments	55	1	311	12	366	13	151	7	215	6
(*f*) Sales tax collected										
(*g*) Sale-proceeds of books and forms	208	8			208	8			208	8
(*h*) Other items (specify)—										
(1) Copying Fees	526	—			526	—			626	—
(2) Postages	95	2			95	2			95	2
(3) Stationery	291	5			291	5			291	5
(4) Loan sections .. —	14952	14			14952	14	3118	9	11834	5
(5) Empties	3762	12			3762	12			3762	—
(6) Suspense liability written										
(7) off Co-operative Depts	123	8			123	8			123	8
(8) Miscellaneous income										
(9) including bad-proceeds	20906	7			20906	7			20906	7
(10) Establishment-recovered	1021	10			1021	10			1021	10
Fire Insurance —	8411	4	8153	14	16565	2	11188	8	5377	6
Rent —	2224	2	1343	5	3567	7	1260	13	2306	10
Commission —	2767	5			2767	5			2767	5
Interest on cost of Paper supplied to subdepots	2045	14			2045	14	2045	14	—	
Interest on victory loan	—	—	1630	2	1630	2	1147	2	483	—
Travelling allowance	23	13	—		23	13			23	13
Total ..	200312	6	11439	1	211751	7	46981	5	164770	2

NOTES.—(1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

ANNEXURE II TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.	Due at the end of the year.	Total.	Due at the beginning of the year.	Less amount
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
(1) Establishment charges	2 2 9 1 - 4 - 1				
(2) Contingencies—					
(a) Account books	7 5 3 - 2				
(b) Postage	1 7 2 - 2				
(c) Stationary	7 8 - 4 - 0				
(d) Remittance charges	7 - 7 - 5				
(e) Affiliation fees					
(f) Delegation fees					
(g) Lighting	1 5 2 -				
(h) Cleaning					
(i) Coolie	1 0 2 -				
(j) Repairs	1 9 -				
(k) Rent	2 1 - 1 - 1				
(l) Rates and taxes—other than sales-tax.	7 2 -				
(m) Printing charges					
(n) Subscription to bulletins					
(o) Godown rent					
(p) Insurance charges (fire and war risks).					
(q) [illegible]	9 5 7 3	— —	[illegible]	— —	[illegible]
(r) [illegible]	[illegible]	— —	[illegible]	— —	[illegible]
(s) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(t) [illegible]	5 3 0 - 8		5 3 0 - 8		5 3 0 - 8
(u) [illegible]	2 2 0 1 - 1 2	— —	2 2 0 1 - 1 2		2 2 6 1 - 1 2
(v) [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
(w) [illegible]	1 0 3 7 - 0		1 0 3 7 - 0	1 0 3 7 - 0	—
(x) [illegible]	3 5 2 - 6	[illegible]	[illegible]	[illegible]	[illegible]
(y) [illegible]	6 5 - 3 - 7	[illegible]	[illegible]	[illegible]	[illegible]
(z) [illegible]	2 2 8 12		2 2 8 - 1 2		2 2 8 - 1 2
[illegible]	4 6 8		4 8 - 8		4 8 - 8
[illegible]	1 1 3 - 1 3		1 1 3 - 1 3		1 1 3 - 1 3
Total	[illegible]	5 5 1 3 8 7 - 1 1	1 0 9 9 0 2	1 5 4 4 1 4 8 4 - 1 2	

ANNEXURE III TO STATEMENT NO. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Gingelly oil production—										
(*a*) Coolie for drying and cleaning ..										
(*b*) Cost of jaggery purchased ..										
(*c*) Milling charges										
(*d*) Packing of tins or casks and other charges.										
(*e*) Cartage to and from mill										
(*f*) Other items (handling)										
(2) Dhall production—										
(*a*) Coolie for washing, drying and cleaning.										
(*b*) Cost of red mud										
(*c*) Grinding charges										
(*d*) Cartage to and fro										
(*e*) Other items, if any (handling) ..										
(3) Conversion of paddy into rice—										
(*a*) Hulling charges										
(*b*) Storage charges										
(*c*) Cartage to and fro										
(*d*) Other charges (handling)										
(4) Any others (hats, etc.)										

Details of Establishment—(To be shown Separately for General Section and Procurement Section.)

Name of incumbent.	Designation.	Scale of pay.	Actual pay.	Allowance.	Travelling Allowance fixed, if any	Extent of Security offered.	Qualification.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Auditor.

List showing godowns owned or rented by the Stores as on 195 .

Serial number.	Name of the Depot that engaged godowns.	Number of godowns owned or engaged with place of location.	Rent per mensem.	Capacity of storage in terms of bags.	Whether the godown is sufficiently safe.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Auditor.

List of stock held by the Stores for more than six months as on 195 .

Serial number	Particulars of items.	Date or dates of purchases.	Quantity in Stock.	Average purchase price.	Actual value of stock on	Probable loss involved, if any.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Auditor.

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 30 — 6 — 1948

Particulars.	Rs.	A.	Particulars.	Rs.	A.
(1) Value of stock on hand at the beginning of the year.	1663033	9	(1) Sale proceeds less sales returns goods 21559686-13. — 44315-10	5 15371	3
(2) Value of goods bought during the year less purchase returns. 19805278—13	19787808	1	(2) Value of goods on hand at year.	5 857191	4
(3) Trade charges— 17470—12			3. value of gummies on hand	19057	8
Less outstanding at the end Bills payable 4096797-0			(4) Stock of old tyres & tubes	350	—
(i) Lorry account paid and due 277367-3	3819429	13	(5) sale proceeds of gummies	55934	12
(ii) Processing or Manufacturing account Expenses paid and due. 1649426-14			(6) Subsidy received 42174-11		
Trade charges paid			Trade charges rec'd 179371-7		
(iii) Sales tax paid and due 70954-7			221546-2		
1720381—5			Add Bills receivable at the end of the year 7992-1		
Less last year 163463—4	1656918	1	Subsidy — 37745—6		
Bonus Surcharge paid 914061—0			Transport — 181313—7		
Due — 408—0			448597-0		
914469—0			Deduct: Bills received during the year and the last year 255844-3		
Less record — 704597-0	209872	—	(Details below) 192752-13	19275	2 13
Total	27110633	11	Bill receivable Total ..		
			last year. 87260-3-0		
			Subsidy. 79920-1-0	27640657	8
			Transport charges 88663-15-0		
(+) Gross profit ..	530023	13	255844-3-0 (-) Gross loss ..		

APPENDIX No. (1)

A. Details of doubtful debts.

Member number. (1)	Details of amount outstanding. (2)		Doubtful debts probable loss. (3)		Reasons for considering the amount as doubtful. (4)
	Rs.	A.	Rs.	A.	

B. Details of assets written off.

Particulars of assets written off. (1)		Amount written off. (2)		Reasons for writing off. (3)
	Rs. A.	Rs.	A.	
Balance from last year —	—	535	4	Stores is liquidated.
Condemned stock	—	172	10	No details — as B.B. said.

APPENDIX No. (2).

ADJUSTING HEAD.

(a) *Due to Society*—

Particulars.	Pending at the beginning of the year (assets).		Issued during the year.		Total of columns (2) and (3).		Received during the year.		Outstanding at the end of the year (assets).	
(1)	(2)		(3)		(4)		(5)		(6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1. Advances due—										
(a) From members ..										
(b) From merchants or suppliers.										
(c) From others										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(b) *Due by Society*—

Particulars.	Pending at the beginning of the year (liabilities).		Received during the year.		Total of columns (2) and (3).		Paid during the year.		Pending at the end of the year (liabilities).	
(1)	(2)		(3)		(4)		(5)		(6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1, Advances due to—										
(a) Members										
(b) Merchants or suppliers ..										
(c) Others (specify) ..										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(c) *Other items*—

	Rs.	A.
(1) Value of furniture at the beginning of year	17,723	0
Do. bought during the year	2626	7
Total	20,349	7
Deduct depreciation at 20 per cent (sold)	4611	11
	2167	12
Value at the end of the year	12690	0

(2) Is a register of furniture maintained? Take stock and certify In the living depots 4 H.O registers are maintained

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society.

(Sd) T. K. Bhaskaran
Auditor.

	Rs.	A.
(3) Value of society's buildings at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(4) Value of Library books at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(5) Adjusting heads written off		

(Give particulars.)

(d) *Immovable properties purchased by the society*—

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value? Is a register of immovable properties purchased maintained? Give particulars below :—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

(2) Expenses incurred on their maintenance including kist paid to Government

(3) Income realised

(4) Attach a certificate from the directors in the following form :—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society, and that the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

	Lorries.								Total.	
(e) *Lorries*—	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(i) Value at the beginning of the year	7 Lorries								3037	—
(ii) Materials purchased during the year ..	—								—	—
(iii) Total									3037	—
(iv) *Deduct* depreciation at 20 per cent 5 years equal instalments	—								607	—
(v) Value at the end of the year									2430	—

	Different varieties.									
(f) *Carts and Other vehicles*—	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(i) Value at the beginning of the year	Carts ..								7575	—
(ii) Bought during the year									—	—
(iii) Total									7575	—
(iv) *Deduct* depreciation at 20 per cent on 5 years equal instalment basis									1515	—
(v) Value at the end of the year									6060	—

(g) Details of stock of empties including gunnies on 195 .

(1)	Number. (2)	Value. (3) RS.	A.
1. Total opening stock on			
2. Purchases made in the year or got in the course of trade			
3. Received by transfer from one depot to another			
Details not available.			
Total ..		—	—
4. Transfer to other depots			
5. Sales in the year or release to retailers or customers in fact in the course of trade			
Total ..			
6. Stock on			

NOTES.—(1) Figures in columns (3) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct.

Auditor.

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8 times the paid up Share capital plus Reserve fund and the Registrar has fixed M.B.P with special reference to procurement from time to time Rs 75 lakhs for Six Months from 1-4-47. R.C 46/48/46 S.O.d 25-3-47. As per Registrar's R.C 17326/47 S/1d 14-10-47. M.B.P was relaxed upto 75 lakhs for a period of Six Months from 1-10-47. This was reduced to Salaries as per Registrar's R.C 48855 dated 16-7-48 till 31-12-48.

General.

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund? Compare it with actual borrowings.

(2) Was it exceeded at any time? How long? By how much?

(3) What is the total working capital of the stores?

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest? If not, give particulars; omit cases where extensions have been sanctioned.

(5) What is the total cash credit given by the Central Bank and what is the total credit accommodation given by the Central Stores? Was the limit exceeded at any time? If so, by how much and for what period?

(6) Was the cash balance verified? What is the cash balance and does it agree with the entry in the cash-book?

(7) Who is in charge of the cash balance? And who is responsible for it under the by-laws of the stores?

(8) Is the cash book closed on each day on which there are transactions? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President?

(9) (*a*) Has the stores taken adequate security from the employees who permanently or occassionally handle cash?

(*b*) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society?

(*c*) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings? Please append a statement in the following form :—

N.A

* Rs 43,31,928-1-0.

yes.

Loan & Deposit 39535 6-1-0
Share — 23540 0-0
R.F — 14301 2 0-0
43931 8-1-0

Rs 75 Lakhs!
Not exceeded.

yes, by various Auditors in various Depots General Section and Food Section. Secretary at the H.O and manager in the depots

yes except those noted in the defects sheet by various Auditors.

In majority of cases securities have been obtained.

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(*d*) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security? Have they given a certificate to this effect? If so, append a copy of it to the audit report.

(*e*) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate?

(*f*) Are there cases of violation of Rule XXVII-B? If so, specify the instances with full particulars.

NOTES.—(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. in words (Rupees) on and found it to agree with the cash-book."

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

Separately furnished in audit of the depots and H.O.

II. The rates of interest given by the stores are as follows :—

(*a*) On deposits from individuals.
1. Fixed deposits.
2. Trade deposits.
3. Provident fund deposits.
4. Security deposits from staff.
5. Others.

3 and 3½ %.

(*b*) On loans from Central Bank.

(*c*) On cash credit from Central Bank.

(*d*) On borrowing from the Central Stores.

4½ %.

III. (1) (*a*) Has the stores maintained all the books and registers prescribed by the Registrar? State the names of the books or registers not maintained.

yes except those noted in the defects sheet by various Auditors. General and depots.

(*b*) State the number of branches or depots working on the last day of the year? How are the branch accounts incorporated in the main accounts of the head office? Is it daily or monthly?

96 depots on 30/6/48
Depot a/cs are compiled annually

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales?

yes.

(3) Did you check the sales chit completely or only test-check them? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

yes.

Dates of sales chits checked	Total number of sales chits involved in each day	Remarks
1)		

(4) Is there an 'internal check' of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

(5) Are all the account books written up properly and up-to-date? Is the distribution of work regarding maintenance of accounts conducive to prompt and efficient maintenance of accounts?

(6) Are there any sub-committees such as 'Prices sub-committee,' 'Purchase sub-committee,' etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each sub-committee?

(7) Has the stores introduced the compartmental system for stocking goods? If so, is it working satisfactorily?

(8) Does the godown clerk maintain a separate register for goods received and issued? Is the stock according to this register tallied periodically with the balances as found in the Purchases, Issue and Stock Register maintained in the head office?

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register?

(12) Have all the invoices been properly entered in the accounts?

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

(Sd) J. K. Anandan
(Sd) E. H. Subramaniam
Auditors

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? (This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

(14) Give details of the establishment of the stores. (See a separate statement annexed.) Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

(15) Is the stores making its purchases from the district central or wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

(16) Has the stores worked out its own standard of deprociation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

(17) (*a*) When was the directorate elected last? Give their names.

(*b*) Do they meet at frequent intervals as required in By-law No. 21?

(*c*) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

(*d*) Are any of the directors disqualified to hold office under Rule XXVII.

Title deeds of canteen & Stock registers were produced before the auditors. Books of accounts are duly written up to date and are kept in order. There is a periodical verification of stock and the defects found are noted and reported to the Registrar. There is a periodical verification of cash and the defects found are noted and reported to the Registrar. There is a system of compartmental system of stocking goods. The receivers are of proper maintained. Passages in the chits and the manager in the B.O. Yearly stock verification is not done every quarter by the directors. In the depot at mofussil stock is verified by the Stock periodically up to January 48. Annual verification was done by the departmental auditor. Yes but there are omissions. Yes except those mentioned in the Summary of defects of various depots by auditors.

No credit purchase in the Stores.

This is a wholesale Store.

No the practice prevailing is that the president is permitted to allow depreciation in Stores up to Rs. 500 and anything exceeding this limit is decided by the executive committee.

15 directors were elected on 21-6-47 and Registrar's sanction in July 1947 in his proceedings 11808/47 dated 15-7-47. They met whenever necessary.

No.

Not to our knowledge

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
a) Reserve fund	7445	6	6855	11	14301	2	—	—	143012	—
b) Honorarium										
c) Dividend at per cent	12508	9	11985	1	24493	10	11330	10	13163	0
d) Common good fund	6742	1	5000	—	11742	1	6579	—	5163	1
e) Bonus or rebate on purchases by members			4493	5	4493	5	—	—	4493	5
f) Price fluctuation fund or business losses reserve										
g) Dividend equalization fund	10000	—	1000	—	11000	—	—	—	11000	—
h) Building fund	20671	9	20000	—	40671	9	—	—	40671	9
i) Bad debts reserve	5000	—	2000	—	7000	—	—	—	7000	—
j) Undisbursed profits										
Bonus to Staff	4076	—	13035	11	17111	11	7508	13	9602	14
undisbursed profits	—	—	3418	1	3418	1	—	—	3418	1
	13345	8	16992	13	30383	15	25418	7	27796	14

CERTIFICATE TO BE FURNISHED BY THE AUDITOR

I, [illegible] the auditor, duly authorized to audit the accounts of the [illegible] stores society hereby certify that I have audited the accounts of the [illegible] stores society on dates [illegible] and further certify subject to the special notes appended hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores;

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposits and borrowings shown in the ledger;

(c) that the outstanding amount in respect of credit sales (in the case of stores societies which are permitted to sell on credit under the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due under 'credit purchases' shown in the balance sheet tally with the total of credit purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the total of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the sums shown against the persons in the ledgers;

(g) that the value of the stock as per the stock verification statement agrees with that shown in the balance sheet and that individual items in the stock lists were checked with reference to the balances shown in the stock book;

(h) that the Board of Management of the stores have appended a certificate of soundness or otherwise about the credit sales and that in my opinion the estimate of the Board of Management is fairly correct. I consider that a bad debt reserve of Rs. may be created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorized and within the budget allotment;

(j) that I have examined the investments made by the society with reference to the documents and vouchers supporting the same and also checked them by obtaining information from the banks in which the investments are held and I have found that the amounts shown as outstanding at the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the 'internal check' employed by the stores is efficient and that I test-checked with following results;

(m) that the quarterly stock-taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the deficits noticed;

(n) that I checked on the actual stock in respect of the following articles and found it to agree with the book balances.

NOTE.—Discrepancies if any, in each article, should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorized.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE, Mangalore
Dated 6-3-1949

Sd/ P. S. Pereira. Sd/ J. K. Annamaiah
Sd/ S. M. Subramaniam
Sd/ C. G. Britto. *Auditors*
Sd/ M. Srinivasa Shanbhag.

AUDIT CERTIFICATE.

Audit certificate by Sri M. Srinivasa Shanbhag, B.A., Deputy Registrar of Co-operative Societies, on the accounts of South Kanara Central Co-op. Wholesale Stores, Limited, for the year ended ~~31st~~ 30th June 1948.

The accounts of the South Kanara Central Co-op. Wholesale Stores, Limited, in the Mangalore taluk of South Kanara district, for the year ended 30th June 1948 as audited by Shri Inspector are passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by him are appended.

2. The year of audit is the 64 ~~year~~ the year of the society's working.

3. *Members and share capital.*—The number of members ~~rose~~ ~~fell~~ from 736 at the beginning of the year to 746 at the end of the year.

The share capital of the members amounted to Rs. 2,35,400 against Rs. 2,35,150 at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. 39,53,516-1 at the close of the year.

5. *Trading account*—The value of stock at the beginning of the year was Rs. 16,63,033-9 stock to the value of Rs. 1,77,27,80[illegible] was bought during the year, less purchase returns, etc. The total sales excluding sales returns, etc., amounted to Rs. 2,15,15,371-3. The value of stock at the end of the year was Rs. 52,57,191-4. The transactions resulted in a gross profit/~~loss~~ of Rs. 5,30,023-13

6. *Net profits.*—The stores earned ~~sustained~~ a profit/~~loss~~ of Rs. 100657-7 for the year. According to by-law No. 40 of the stores, of the net profit, viz., Rs. 40,023-0-0 should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws.

7. *Reserve Fund*—The Reserve Fund of the stores amounted to Rs. 1,43,012-1 at the beginning of the year. With the addition of Rs. 40,023-0-0 credited in the above paragraph, the total of the Reserve Fund will be Rs. 1,83,035-1 The stores has utilised Rs. 40,705-12-0 of its Reserve Fund in its business.

8. *Business Reserve*—The amount to the credit of the Business Reserve created by the stores was Rs. at the end of the year.

(Sd) M. Srinivasa Shanbhag
Deputy Registrar. 25.3.49.

Sri M. S. Pereira, 10 Sri M. Annamma B.A.,
" S. Kengoleker. Special Inspectors (Dist. Copy)
" T. K. Ananda, B.A. 11 " P. S. Prabhu,
" M. T. Rai, 12 " H. S. Alva,
" E. M. Subrahmanian, M.A.
" M. S. Mirbakar 13 Sri K. R. Nair.
" C. G. Britto, B.A.,
" P. Ganesh Bhat
" K. Poovappa, B.A.,

Deputy Registrar 2-11-50
1/9/50

17,002—9-3-50.

FINAL AUDIT REPORT

For the year ended 30th June 1947.

(CO-OPERATIVE STORES.)

I. (1) Number and name of the stores .. L. 472 S.K. Cooperative Central Wholesale Stores Ltd.

(2) Date of registration .. 28.3.1943

(3) Date of starting .. 28.3.1943

(4) Headquarters of the stores .. Mangalore

(5) Area of operation .. South Kanara District

(6) Postal address .. Mangalore

II. (1) Name of the auditor ..

(2) Headquarters of the auditor ..

(3) Dates of audit .. Mentioned in individual depot audit reports

(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. Yes. number of visits and days spent are noted in individual audit reports.

III. Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.	451	240	39	730	74850	151850	15300	2,42,000	1497	3037	306	4840
(2) Admitted during the year.	7	5	3	15	2600	2100	150	4850	52	42	3	97
(3) Removed during the year.	3	4	2	9	2300	5500	100	7,900	46	110	2	158
(4) At the end of the year ..	455	241	40	736	75150	148450	15350	2,38,950	1503	2969	307	4779

IV. Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1946-1947. Under class B

(2) The society was classified in

1943-1944 .. .. .. Under class B

1944-1945 .. .. .. ,, B.

1945-1946 .. .. .. ,, B

NOTE.—Refer to the instructions given below regarding the classification of societies.

Note for Classification of Societies.

Class

A Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class society.

B Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C All other societies.

D A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

STATEMENT

Receipts and Disbursements

Receipts.	Rs.	A	Rs.	A
1. Share capital	4850	-	4850	-
(a) Individuals				
(b) Societies				
(c) Institutions				
2. Deposits and borrowings from—				
(a) Members—				
(i) Fixed deposits — Short term	13,580	-		
(i) Fixed deposits — Long term				
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff	1,255	-		
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term	9,000	-		
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	44,074	-		
(iv) Others				
Cash credit				
(c) Central Banks — Short term C/A	1,85,57,022	-	1,86,24,848	-
(c) Central Banks — Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
(i)				
(ii)				
(iii)				
3. Recovery of credit sales				
4. Sale-proceeds—				
Own goods	2,41,08,404	6	2,41,08,404	6
Consignment goods	7,09,455	7	7,09,455	7
5. Return or refund of purchases				
6. Processing or manufacturing account				
Value of gingelly seeds — Utilised for processing or conversion.				
Value of redgram — Utilised for processing or conversion.				
Value of paddy — Utilised for processing or conversion.				
7. Interest				
8. Miscellaneous income—	1,00,107	7	1,00,107	7
(i) Entrance fees				
(ii) Penalties Trade charges received	32,732	12	32,732	12
(iii) Interest on investments—				
(a) Reserve fund				
(b) Margin of profit on local rice and paddy & the set of against transport charges	4,88,280	13	4,88,280	13
(iv) Dividend on shares in—				
(a) Central Bank				
(b)				
(v) Other heads—				
(1) Collectors a/c	80,492	3	80,492	3
(2) Major establishment due to Govt.	1,216	7	1,216	7
(3) Errors	5,400	13	5,400	13
(4) Depot a/c	806	2	806	2
(5) Post office	936	13	936	13
(6) General Department	505	-	505	-
(7) Goods transfer account	98,449	9	98,449	9
Carried over			4,42,56,485	12

for the year ending 195 .

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	7,900	-	7,900	-
(b) Societies				
(c) Institutions				
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits — Short term	20,500	-		
(i) Fixed deposits — Long term				
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term	5,750	-		
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	14,460	8		
(iv) Others—				
Cash credit				
(c) Central Banks — Short term CCL	2,08,87,339	-	2,09,28,059	8
(c) Central Banks — Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
(i)				
(ii)				
(iii)				
(f) Other loans (specify) — Short term				
(f) Other loans (specify) — Long term				
3. Credit sales issued — Short term				
3. Credit sales issued — Long term				
4. Stock bought—				
Own goods	2,05,78,096	5	2,05,78,096	5
Consignment goods				
Sales returns	1,00,484	11	1,00,484	11
5. Payment out of profits of previous years—				
(i) Reserve fund	10,476	9		
(ii) Honorarium				
(iii) Dividend	7,880	6		
(iv) Common good fund	1,775	-		
(v) Bonus or rebate on purchases to Staff	5,074	13		
(vi) Price Fluctuation Fund				
(vii) Dividend Equalization Fund				
(viii) Building Fund	13,785	9		
(ix) Bad deb reserve	5,000	-	43,992	5
6. Establishment and Contingencies (vide Annexure for details).	4,84,964	15	4,84,964	15
7. Miscellaneous payments—				
(i) Penalties				
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for supervision				
(v) Sales tax				
Carried over			4,21,43,487	12

STATEMENT

Receipts and Disbursements

Receipts—cont.	RS.	A.	RS.	A.
Brought forward ..			4,42,56,485	12
9 Adjusting heads (give details)—				
(a) Due to society	88,70,980	8		
(b) Due by society	14,67,883	15		
(Sale) - Conveyance, kept over audit objection 10. Investments withdrawn—formerly entered in journal	1,333	11	1,03,40,198	2
(i) Rumikhar	474	1		
(ii) C.A. in Bank of Canfalore ..	46,625	7		
(iii) C-A- 973	5,86,620	14		
(iv) C-A- 1063	16,828	2	7,50,528	14
(v)				
(vi)				
11 Eliminations - - - - - - - -	53,28,418	1	53,28,418	
Profit account 1944-45.				
Bonus to staff - - - - - -	3,350	6		
Dividend - - - - - - - -	8,505	4		
Common Cost Fund - - -	1297	1		
Building Fund - - - - -	2411	13	15,564	8

for the year ending 195 —*cont.*

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..			4,21,43,487	12
8. Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items				
9. Adjusting heads (give details)—				
Due to society	89,49,584	4	89,49,584	4
Due by society	14,81,610	14	14,81,610	14
Canteen section kept under audit objection pending disposal etc.				
10. Investments made—	2,767	9	2,767	9
(i) Furniture bought	3,588	12		
(ii) New lorries	24,227	4		
(iii) New car	9,468	12		
(iv) C.A. in Bank of Bangalore	46,726	-		
(v) C-A. 913	6,73,769	7		
(vi) C-A. 1043	18,322	3		
(vii) Revenue Deposits	759	4	7,76,861	10
Adjusting heads-others—				
1) Depot a/c	1,00,997	8	1,00,997	8
2) Food office	953	9	953	9
3) General Department	524	8	524	8
4) Transport & coolly charges incurred in respect of local rice and paddy for setting off against the margin allowed for the purpose	4,92,073	10	4,92,073	10
5) Collectors account	9,185	2	9,185	2
6) Error	5,400	13	5,400	13
Trade charges	10,17,504	5	10,17,504	5
Interest Paid	2,66,017	2	2,66,017	2
Amount written off	4231	1	4231	1
profits of 1944-45	15,564	8	15,564	8
Eliminations	53,28,418	1	53,28,418	1

al			6,05,95,182	4
ing balance			1,74,073	10
nd total			6,07,69,255	14

STATEMENT

Balance Sheet

——	At the end of the year.		At the beginning of the year	
Liabilities.	Rs.	A.	Rs.	A.
1. Loans and deposits—				
(a) Members—				
(i) Fixed deposits { Short term / Long term	44,850	–	51,850	–
(ii) Trade deposits				
(iii) Provident deposits for staff				
(iv) Security deposits from staff	3,505		2,250	–
(v) Others				
(b) Non-members—				
(i) Fixed deposits { Short term / Long term	52,826	–	49,576	–
(ii) Provident fund for staff				
(iii) Security deposits from staff	1,01,373	8	71,763	–
(iv) Others				
(c) Central Bank { Cash credits / Short term / Long term	19,39,404	1	42,69,721	1
(d) Central Stores				
(e) Others { Short term / Long term				
2. Share capital	2,38,950	–	2,42,000	–
3. Interest due	8,196	3	87,059	8
4. Processing and manufacturing account expenses pending payment.				
5. Establishment and contingent charges due	1,09,902	15	62,322	10
6. Other items—				
(i) ~~Sales Tax due~~ Provision for Profit Appl. and	25,220	7	19,834	–
(ii) Contribution for audit fee & other Reserves	1,000	–	1,000	–
(iii) Supervision Business Reserve	25,000	–		
(iv) Adjusting heads (specify)—				
(a) Suspense Liabilities	75,773	6	89,580	5
(b) do Cash on section keeps	1333	11		
(c) Audit audit objections from purchase				
(d) branches etc.				
(e) Collectors account	2,66,049	–	1,94,741	15
(f) do Major Establishment	1216	7		
7. Undisbursed profits of previous years—Bills payable	2,77,367	3		
(i) Honorarium Trade charges pending	1,63,463	4	11,73,297	
(ii) Dividend Audit objection Income Bill	183	–	183	–
(iii) Common good fund	12,508	9	447	10
(iv) Bonus or ~~rebate on purchases by members~~ to staff	6,742	1	3220	–
(v) Price Fluctuation Fund or business losses reserve	4076	–	597	12
(vi) Dividend equalization fund	10,000	–	10,000	–
(vii) Building fund	20,671	9	11,373	12
(viii) Bad debt reserve	5000	–	5000	–
(ix)				
(x) Undisbursed profits			15,564	8
8 Reserve fund—				
Separately invested	46,743	10	36,415	10
Yet to be invested	27,712	11	10,476	9
9. Total Liabilities	34,69,068	9	64,08,194	4
10. Net difference between assets and Liabilities	1,69,928	13	58,088	14

(A) Fixed deposit with SCC Bank Ltd
1) Bad debt Reserve Rent 5000-0-0
2) Building Rent 13,785-9-0
Rs. 18,785-9-0

No. 11.

As on ——— 1957 June 30th.

For ———	At the end of the year.		At the beginning of the year.	
Assets.	Rs.	A.	Rs.	A.
1. Cash—				
(1) On hand	1,74,073	10	78,060	9
(2) In Bank				
(i) C.A. in Bank of Mangalore	210	9	110	11
(ii) C.A. in Suralkkal coop. Society	-	11		
(iii) C.A. 973	18,111	2		
(iv) C.A. 10163	1,928	5	31,377	3
(v)				
2. Other investments—				
(i) Reserve fund—				
(a) In the Co-operative Central Bank	10,5163	10	67	1
(b) In the debentures of the Central Land Mortgage Bank. (Bills not yet Victory loans from 1954-61 to encashed stock)	16,100	-	16,348	9
(c) In Defence Bonds or National Savings Certificates	100	-		
(ii) Shares taken in the Co-operative Central Bank	20,000	-	20,000	-
(iii) Shares taken in the Central Stores (Revenue deposit with Govt.)	2,37,000	-	2,37,000	-
(iv) Shares in other Co-operative institutions (Rice & General Insurance Society)	2,759	4	2,000	-
(v) Fixed deposits (A)	100	-	100	-
	18,785	9		
3. Credit sales—				
(a) Due by members				
(b) Due by directors				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term — Considered good				
Short term — Doubtful				
Long term — Considered good				
Long term — Doubtful				
5. Interest accrued on credit sales				
Do. investments (Miscellaneous income due)	46,981	5	14,510	14
6. Other items—				
(i) Value of furniture and equipments *less* depreciation	17,723	-	20,576	-
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased.				
(iv) Library				
(v) Value of ~~machinery~~ Motor car held less depreciation	7575	-		
(vi) Value of lorries owned less depreciation	30,379	-	13,747	-
7. Value of stock on hand — Own goods	16,63,033	9	48,87,333	1
Consignment goods				
8. Adjusting heads (specify)—				
(i) Suspense Assets	11,11,005	3	10,30,623	6
(ii) do Canteen section Kept Amt	2,767	9		
(iii) audit objection for non-production of records				
(iv) Bills receivable from Govt.	87,260	3	73,465	8
(v) Subsidy receivable from Govt.	79,920	1	37,860	4
(vi) Transport charges due from Govt.	88,663	15		
(vii) do local rice subsidy	3,792	13		
(viii)				
(ix) Audit objection 1953-54	183	-	183	-
(x)				
9. Total Assets	36,38,997	6	64,63,283	2

STATEMEN

Profit and Loss Account

Loss.	Rs.	A.	Rs.	A.
1. Interest paid and due—				
(a) Paid	2,66,017	2		
Add—				
(b) Interest pending payment	8,196	3		
Total ..	2,74,213	5		
(c) *Deduct*—Interest pending payment at the end of the previous year.	87,059	8		
(d) Net amount			1,87,153	13
2. Establishment and contingent charges paid and due ..			5,32,545	4
3. Assets written off as bad debts			4,231	1
4. Miscellaneous items .. .. { Depreciation			15,396	11
{ Other items				
5. Provision for doubtful assets			40,256	15
6. Last year's loss				
Total ..			7,79,533	12
7. Net profit (+) ~~(Deficit (—))~~			1,69,928	13

Depreciation.

a) Furniture —— Rs 5907-11-0
b) Carries — 7695-4-0
c) Car 1893-12-0
—— 16396-11-0.

Provision for doubtful assets.

1. Bills receivable on a/c of Medicines & Disinfectants — Rs 5:7:-0
2. — do — Firearms 2616-9-0
3. Asset doubtful of recovery — 4030-4-0
4. Due from Reception officers — 1299-15-0
5. — do — Food Inspectors — 302-6-0
6. Provision for fair & issue of consumer goods 1,000-0-0
7. Business Reserve 25,000-0-0
Rs 40,254-15-0

No. III.

for the year — ending 1957. June 30th.

Profit.	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—				
Add—				
(*b*) Interest accrued, but not overdue				
Total ..				
Deduct—				
(*c*) Interest accrued at the end of the previous year ..				
Net ..				
2. Gross profits as per trading account			8,07,212	12
3. Miscellaneous income—				
(i) Amount realized	1,00,107	7		
Add—				
(ii) Amount pending recovery	46,981	5		
Total ..	1,47,088	12		
Deduct—				
(iii) Amount pending realization at the end of the previous year.	14,659	7		
Net amount ..	1,32,429	5	1,32,429	5
Total ..				
Amount recovered out of provisions made in the previous years			9,820	8
Total			9,49,462	9

	Rs.	A.
NOTES.—(1) Net profit as per Statement No. II	1,69,928	13
(2) * *Deduct* profit included in the balance sheet but not available for distribution.		
or		
† *Add* profits of previous years now made available for distribution		
Net amount or total available for distribution as per profit and loss statement above ..	1,69,928	13

* There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV.

Statement of Overdue Assets and Liabilities.

Demand, Collection and Balance.

Major head.	Item.	Amount.		
				Rs.
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.			
	2. Amount paid			
	3. Balance			
				Rs.
II. Supervision Fund.	1. Amount recoverable on account of the year with arrears of previous years.			
	2. Amount paid			
	3. Balance			
		Short term.		Long te
		Rs.	A.	Rs.
III. Loans and deposits due by the stores.	1. Amount payable on account of the current year with arrears of previous years.	2,09,22,049	8	
	2. Amount for which extension was granted lasting beyond the year.	—		
	3. Repaid during the year out of the amount in column (1) ..	2,09,22,049	8	
	4. Paid in advance, if any	—		
	5. Total [columns (2) *plus* (3)]	2,09,22,049	8	
	6. Balance [columns (1)—(5)]	—		
		Rs.		A.
IV. Interest due by the stores.	1. Accrued and falling due during the year with the arrears of previous years.	2,66,017		2
	2. Amount paid during the year	2,66,017		2
	3. Balance	—		
V. Amounts due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.			
	2. Amount recovered during the year			
	3. Balance [columns (1)—(2)]			
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.			
	2. Amount recovered during the year			
	3. Balance [columns (1)—(2)]			

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Entrance fees for shares	39	8			39	8			39	8
(b) Transfer fees for shares										
(c) Dividend on share capital—										
(i) Central Bank	11,086	4			11,086	4			11,086	4
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv)										
(d) Interest on Reserve Fund invested	1095	-	151	7	1246	7	346	10	899	13
(e) Interest on other investments										
(f) Sales tax collected										
(g) Sale-proceeds of books and forms										
(h) Other items (specify)—										
(1) Miscellaneous	7839	4			7839	4			7839	4
(2) Establishment	284	13			284	13			284	13
(3) Fire Insurance	3,335	11	11,188	8	14,524	3	7,192	14	7,331	5
(4)										
(5) Rent	2,463	12	1,260	13	3,724	9			3,724	9
(6) Bank Commission	342	14			342	14			342	14
(7) Lorry section	67,411	15	31,187	9	98,599	8	6,971	6	91,628	2
(8) Empties	6,208	6			6,208	6			6,208	6
(9) Interest on saving bank										
(10) Deposit to Cuddalore			2,045	14	2,045	14			2,045	14
Interest on Victoria Co.			1,147	2	1147	2	148	9	998	9
Total	1,00,107	7	46,981	5	1,47,088	12	14,659	7	1,32,429	5

NOTES.—(1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

ANNEXURE II TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Establishment charges	1,93,960	8	63,053	9	2,56,994	1	31,028	13	2,25,965	4
(2) Contingencies—										
(a) Account books	13,700	14	470	6	14,171	4	32	-	14,139	4
(b) Postage	6,860	9	11	8	6,822	1			6,822	1
(c) Stationary	1950	4			1950	4			1950	4
(d) Remittance charges	7,075	11	1,037	9	8,113	4			8,113	4
(e) Affiliation fees										
(f) Delegation fees										
(g) Lighting	958	8			958	8			958	8
(h) Cleaning										
(i) Coolie	9,438	11	430	13	9869	8	388	6	9481	2
(j) Repairs	135	14			135	14			135	14
(k) Rent	83,201	11	17,156	13	1,00,358	8	8,375	8	91,983	-
(l) Rates and taxes—other than sales-tax.	15,944	10			15,944	10			15,944	10
(m) Printing charges										
(n) Subscription to bulletins										
(o) Godown rent										
(p) Insurance charges (fire and war risks).	19,921	14			19,921	14			19,921	14
(q) T.A. ..	18,519	1	2,733	1	21,252	2	1,878	6	19,373	12
(r) Packing ..	51	4			51	4			51	4
(s) Enhancement fees ..	-	8			-	8			-	8
(t) Meeting expenses ..	308	4			308	4			308	4
(u) Car ..	2,882	7			2,882	7			2,882	7
(v) Lorry section ..	63,808	4	4176	14	67,985	2	3,505	10	64,479	
(w) Cost of S-V-03. ..	6,011	9	10,137	10	16,149	3			16,149	
(x) Cost of audit ..	32,595	8	10,520	12	43,116	4	17,071	6	26,044	
(y) Miscellaneous ..	7,709	-	174	-	7,883	-	42	9	7,840	
(z) ..										
Total ..	4,84,964	15	1,09,902	15	5,94,867	14	62,322	10	5,32,545	

ANNEXURE III TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Gingelly oil production—										
(*a*) Coolie for drying and cleaning ..										
(*b*) Cost of jaggery purchased ..										
(*c*) Milling charges										
(*d*) Packing of tins or casks and other charges.										
(*e*) Cartage to and from mill										
(*f*) Other items (handling)										
(2) Dhall production—										
(*a*) Coolie for washing, drying and cleaning.										
(*b*) Cost of red mud										
(*c*) Grinding charges										
(*d*) Cartage to and fro										
(*e*) Other items, if any (handling) ..										
(3) Conversion of paddy into rice—										
(*a*) Hulling charges										
(*b*) Storage charges										
(*c*) Cartage to and fro										
(*d*) Other charges (handling)										
(4) Any others (hats, etc.)										

Details of Establishment—(To be shown Separately for General Section and Procurement Section.

Name of incumbent. (1)	Designation. (2)	Scale of pay. (3)	Actual pay. (4)	Allowance. (5)	Travelling Allowance fixed, if any. (6)	Extent of Security offered. (7)	Qualification. (8)	Remarks. (9)

Auditor.

List showing godowns owned or rented by the Stores as on 195 .

Serial number. (1)	Name of the Depot that engaged godowns. (2)	Number of godowns owned or engaged with place of location. (3)	Rent per mensem. (4)	Capacity of storage in terms of bags. (5)	Whether the godown is sufficiently safe. (6)	Remarks. (7)

Auditor.

List of stock held by the Stores for more than six months as on 195 .

Serial number (1)	Particulars of items. (2)	Date or dates of purchases. (3)	Quantity in Stock. (4)	Average purchase price. (5)	Actual value of stock on (6)	Probable loss involved, if any. (7)	Remarks. (8)

Auditor.

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 195 .

Particulars.	Rs.	A.	Particulars.	Rs.	A.
(1) Value of stock on hand at the beginning of the year.	48,87,333	1	(1) Sale proceeds less sales returns	2,60,07,919	11
(2) Value of goods bought during the year less purchase returns.	1,91,44,104	10	(2) Value of goods on hand at year.	16,63,033	9
(3) Trade charges:—			Bills payable from Government 87,260-3-0		
(i) Lorry account paid and due			Less Pending Settlement 73,465-8-0	13,794	11
(ii) Processing or Manufacturing account Expenses paid and due.	1,09,574	-	Subsidy Receivable from Govt. 79,920-1		
(iii) Sales tax paid and due			Less Pending Settlement 37,840-4	42,079	13
Purchases 2,05,78,096-5			Transport charges on despatches due from Govt.:—		
Less returns 7,09,455-7			1) Railway freight on Punjab Rice	86,723	-
1,98,68,640-14			2) Transport & commission due from collector on a/c of 3 Release Orders	1,820	7
Add bills payable 2,77,367-3				126	8
2,01,46,008-1			3) do American Biscuit	32,732	12
Less bills pending settlement 10,01,903-7			Trade charges recovered		
1,91,44,104-10 Total ..	2,50,41,011	11	Total	2,58,48,224	7
Trade charges Pending 10,17,504-5					
1,63,463-4					
11,80,967-9					
Less 1,71,393-9					
10,09,574-0 (+) Gross profit ..	8,07,212	12	(—) Gross loss ..		

APPENDIX No. (1)

A. Details of doubtful debts

Member number. (1)	Details of amount outstanding. (2)		Doubtful debts probable loss. (3)		Reasons for considering the amount as doubtful. (4)
	Rs.	A.	Rs.	A.	

B. Details of assets written off.

Particulars of assets written off. (1)		Amount written off. (2)		Reasons for writing off. (3)
	Rs. A.	Rs.	A.	
Kalyanpur Depot cash balance		300	8 11	
Central Rice Corp. Shop Stock		964	5	
Commission		118	9	
		139	8	

APPENDIX No. (2).

ADJUSTING HEAD.

(a) *Due to Society*—

Particulars. (1)	Pending at the beginning of the year (assets). (2)		Issued during the year. (3)		Total of columns (2) and (3). (4)		Received during the year. (5)		Outstanding at the end of the year (assets). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	
1. Advances due—										
(a) From members										
(b) From merchants or suppliers.										
(c) From others										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(b) *Due by Society*—

Particulars. (1)	Pending at the beginning of the year (liabilities). (2)		Received during the year. (3)		Total of columns (2) and (3). (4)		Paid during the year. (5).		Pending at the end of the year (liabilities). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1. Advances due to—										
(a) Members										
(b) Merchants or suppliers ..										
(c) Others (specify) ..										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(c) *Other items*—

	Rs.	A.
(1) Value of furniture at the beginning of year (This includes old furniture also)	20,516	0
Do. bought during the year	3,588	12
Total sales	24,104	12
	474	1
Deduct depreciation at 25 per cent	23,630	11
	5,907	11
Value at the end of the year	17,723	0
(2) Is a register of furniture maintained? Take stock and certify	Yes	

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society. Certificates attached to respective depot reports.

Auditor.

	Rs.
(3) Value of society's buildings at the beginning of the year	
Do. bought during the year	
Total	
Deduct depreciation at per cent	
Value at the end of the year	
(4) Value of Library books at the beginning of the year	
Do. bought during the year	
Total	
Deduct depreciation at per cent	
Value at the end of the year	
(5) Adjusting heads written off	

(Give particulars.)

(d) *Immovable properties purchased by the society*—

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value? Is a register of immovable properties purchased maintained? Give particulars below:—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

	Rs.	A.
(2) Expenses incurred on their maintenance including kist paid to Government		
(3) Income realized		

(4) Attach a certificate from the directors in the following form:—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society and that the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

	Lorries.								Total.	
(e) *Lorries*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(i) Value at the beginning of the year									13,747	—
(ii) ~~Materials~~ purchased during the year .. (new Lorries)									24,227	4
(iii) Total									37,974	4
(iv) *Deduct* depreciation at 5% per cent (4.5 years equal installments basis)									1,595	4
(v) Value at the end of the year									36,379	—

	Different varieties.									
(f) *Carts and Other vehicles*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs	A.
(i) Value at the beginning of the year										
(ii) Bought during the year									9,448	12
(iii) Total									9,448	12
(iv) *Deduct* depreciation at 20 per cent (original cost price at 5 yearly equal installment basis)									1,873	12
(v) Value at the end of the year									7,575	—

(g) Details of stock of empties including gunnies on 195 .

(1)	Number. (2)	Value. (3)
		Rs.
1. Total opening stock on		
2. Purchases made in the year or got in the course of trade		
3. Received by transfer from one depot to another		
Total ..	Details not available	
4. Transfer to other depots		
5. Sales in the year or release to retailers or customers in fact in the course of trade		
Total ..		
6. Stock on		

NOTES.—(1) Figures in columns (3) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct.

Auditor.

General.

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund ? Compare it with actual borrowings.

8 times the paid up share capital plus Reserve Fund, and the Registrar can fix the M.B.P. with special reference to procurement from time to time. Rs. 60 lakhs from 1.6.46 to 30.9.46. Registrars 5701/48 dated 13.5.46. Rs 75 lakhs from 1.10.46 to 31.3.47 Registrars 15477/46 & 1/Dt. 26.9.46. Rs. 75 lakhs for 6 months from 1.4.47 Re 4668/46 & 8 dated 25.3.47.

(2) Was it exceeded at any time ? How long ? By how much ?

not exceeded.

(3) What is the total working capital of the stores ?

Rs. 24,55,364-14-0

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest ? If not, give particulars, omit cases where extensions have been sanctioned.

Yes

(5) What is the total cash credit given by the Central Bank and what is the total credit accommodation given by the Central Stores ? Was the limit exceeded at any time ? If so, by how much and for what period ?

Rs. 73 lakhs.
not exceeded.

(6) Was the cash balance verified ? What is the cash balance and does it agree with the entry in the cash-book ?

Yes, by various Auditors in various depots, General section and Food section.

(7) Who is in charge of the cash balance ? And who is responsible for it under the by-laws of the stores ?

Secretary in General Department & branch officers and Agents in the various depots.

(8) Is the cash book closed on each day on which there are transactions ? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President ?

Yes, except there were defects in depots noted by the various Auditors.

(9) (*a*) Has the stores taken adequate security from the employees who permanently or occassionally handle cash ?

In majority of cases securities have been obtained.

(*b*) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society ?

(*c*) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings ? Please append a statement in the following form :—

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(*d*) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security ? Have they given a certificate to this effect ? If so, append a copy of it to the audit report.

(*e*) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate ?

(*f*) Are there cases of violation of Rule XXVII-B ? If so, specify the instances with full particulars.

NOTES.—(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. in words (Rupees) on and found it to agree with the cash-book."

Seperately furnished in Audit Reports of the depots, General Dept. and Food Offices.

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

II. The rates of interest given by the stores are as follows :—

(*a*) On deposits from individuals.
1. Fixed deposits. — Members 3½%, non members 3%
2. Trade deposits.
3. Provident fund deposits. — 4%
4. Security deposits from staff.
5. Others.

(*b*) On loans from Central Bank. — 4½%

(*c*) On cash credit from Central Bank.

(*d*) On borrowing from the Central Stores.

III. (1) (*a*) Has the stores maintained all the books and registers prescribed by the Registrar ? State the names of the books or registers not maintained.

Yes, except there were defects in depots noted by the various Auditors in depots, General and Food section.

(*b*) State the number of branches or depots working on the last day of the year ? How are the branch accounts incorporated in the main accounts of the head office ? Is it daily or monthly ?

252 including Stocking depots and Reception Depots. Accounts are compiled annually.

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales ?

Yes

(3) Did you check the sales chit completely or only test-check them ? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

Yes

Dates of sales chits checked.	Total number of sales chits involved in each day.	Result of the test check.
1	2	

(4) Is there an 'internal check' of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

Yes. Stock verification Officers are checking cash side and stock side in Central depots. Sale Issue Dept cash is checked daily by the accountant but stock side not regularly checked.

(5) Are all the account books written up properly and up-to-date? Is the distribution of work regarding maintenance of accounts conducive to prompt and efficient maintenance of accounts?

Yes, except in cases pointed out in Inspection Report of individual depots. General Food department

(6) Are there any sub committees such as 'Prices sub-committee,' 'Purchases sub-committee,' etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each sub-committee?

Yes, there is a purchase sub committee. It has met 3 times during the year. It formed in accordance with the by-laws. Strength 4 & 3.

(7) Has the stores introduced the compartmental system for stocking goods? If so, is it working satisfactorily?

This is a wholesale store. Compartmental system has not found necessary.

(8) Does the godown clerk maintain a separate register for goods received and issued? Is the stock according to this register tallied periodically with the balances as found in the Purchases, Issue and Stock Register maintained in the head office?

The Registers are not properly maintained

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

General Dept. — Store keeper; Depot Agents

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

General Department — Stock verification is not done every quarterly by the Directors. Mofussil Depot — Stock verified by the Stock verification Officers. Annual verification is done also by Departmental Officers.

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register?

Yes; but there are omissions.

(12) Have all the invoices been properly entered in the accounts?

Yes, except those mentioned in the Summary of objects of the various depots etc.

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

Auditor.

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

Yes

(14) Give details of the establishment of the stores. (See a separate statement annexed. Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

Separately furnished

This is a wholesale Store

(15) Is the stores making its purchases from the district central or wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

No. The practice prevailing is that President and Committee to allow depreciation on stock up to Rs 100/- and anything exceeding this limit is decided by the Executive Committee.

(16) Has the stores worked out its own standard of depreciation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

(17) (a) When was the directorate elected last? Give their names.

115 Directors were elected on 21.6.47 and 4 were nominated by the Registrar in July 47 in his proceedings D 11808/47 S1 dt. 16.7.47

(b) Do they meet at frequent intervals as required in By-law No. 21?

They meet whenever necessary

(c) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

No

(d) Are any of the directors disqualified to hold office under Rule XX?

Not to our knowledge.

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Reserve fund	46,892	3	27,564	2	74,456	5			74,458	5
(b) Honorarium										
(c) Dividend at per cent	447	10	19,941	5	20,388	15	7880	6	12,508	9
(d) Common good fund	3,220	-	5,297	1	8,517	1	1775	-	6,742	1
(e) Bonus or rebate on purchases by members ..										
(f) Price fluctuation fund or business losses reserve ..										
(g) Dividend equalization fund	10,000	-			10,000	-			10,000	-
(h) Building fund	11,373	12	9,297	13	20,671	9			20,671	9
(i) Bad debts reserve	5,000				5,000	-			5,000	-
(j) Undisbursed profits	15,564	8			15,564	8	15,564	8	-	
(k) Bonus to staff.	597	12	8,553	1	9,150	13				

We ——— the auditor, duly authorised to audit the accounts of the C. K. Cantee Coop. Wholesale stores society hereby certify that I have audited the accounts of the said stores society on dates mentioned in the report dated and further certify subject to the special notes appended hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores;

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposits and borrowings shown in the ledger;

(c) that the outstanding amount in respect of credit sales (in the case of stores societies which are permitted to sell on credit under the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due under 'credit purchases' shown in the balance sheet tally with the total of credit purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the total of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the sums shown against the persons in the ledgers;

*(g) that the value of the stock as per the stock verification statement agrees with that shown in the balance sheet and that individual items in the stock lists were checked with reference to the balances shown in the stock book;

(h) that the Board of Management of the stores have appended a certificate of soundness or otherwise about the credit sales and that in my opinion the estimate of the Board of Management is fairly correct. We consider that a bad debt reserve of Rs. may be created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorised and within the budget allotment;

(j) that I have examined the investments made by the society with reference to the documents and vouchers supporting the same and also checked them by obtaining information from the banks in which the investments are held and I have found that the amounts shown as outstanding at the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the 'internal check' employed by the stores is efficient and that it is test-checked with following results;

(m) that the quarterly stock-taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the deficits noticed;

(n) that I checked on 30.6.47 and Establishment date the actual stock in respect of the following articles and found it to agree with the book balance. except in mentioned articles which explained later

NOTE.—Discrepancies if any, in each article, should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorised.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE, Mangalore
Dated 30 April 19 47

(Sd) N.S.Karanth (Sd) S.Veerashekara
(Sd) P.S.Srinivasa. (Sd) T.K.Anandam. Auditor

AUDIT CERTIFICATE.

Audit certificate by Sri M. Srinivasa Shanbhag B.A. , Deputy Registrar of Co-operative Societies, [illegible] on the accounts of Sri Mena & Srini Coop. Stores Ltd. Stores, Limited, for the year ended 30 June 19[illegible]

The accounts of the South Kanara Srini Coop. Kotwala Stores, Limited, in the Mangalore taluk of South Kanara district, for the year ended 30th June 1947 as audited by Sri M.S.Rama Rao are passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by him are appended.

2. The year of audit is the 41st the year of the society's working.

3. *Members and share capital.*—The number of members [illegible] from 730 at the beginning of the year to 736 at the end of the year.

The share capital of the members amounted to Rs. 2, 38, 970-0-0 against Rs. 2,42,000-0-0 at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. 21, 41, 158-1-0 at the close of the year.

5. *Trading account*—The value of stock at the beginning of the year was Rs. 48, 97, 333-1-0 stock to the value of Rs. 1,91,44,109-10-0 was bought during the year, less purchase returns, etc. The total sales excluding sales returns, etc., amounted to Rs. 2, 40, 07, 919-12-0 The value of stock at the end of the year was Rs. [illegible], 16, 63, 333-9-0 The transactions resulted in a gross profit/loss of Rs. 8,07,212-12-0

6. *Net profits.*—The stores earned [illegible] a profit, loss of Rs. 169,928-13-0 for the year. According to by-law No. 60 of the stores, of the net profit, viz., Rs. 67,771-8-0 should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws.

7. *Reserve Fund.*—The Reserve Fund of the stores amounted to Rs. 1,4,5,5-5-0 at the beginning of the year. With the addition of Rs. 67,971-8-0 ordered in the above paragraph, the total of the Reserve Fund will be Rs. 1, 42, 427-13-0. The stores has utilised Rs. 27,712-11-0 of its Reserve Fund in its business.

8. *Business Reserve*—The amount to the credit of the Business Reserve created by the stores was Rs. —— at the end of the year.

(Sd) M. Srinivasa Shanbhag
Deputy Registrar.

S. Veerashekara
M. Srinivasa B.A.
T.A. Anandam B.A
E.G. Rao B.A.
H. Timmappa Rai
R. Anatha Narayana Rayyar
N.S. Karanth.
Yusuf Abdulkadir,
P.S. Srinivasa Prabhu.
H. Sankara Alva
K. Nemiraja Rai

(True Copy)
M. Srinivasa
Deputy Registrar. 2.11.50

17,002—9-3-50.

FINAL AUDIT REPORT

For the year ended 30th June 1946.

(CO-OPERATIVE STORES.)

I. (1) Number and name of the stores .. .. L. 472 S.K. Cooperative Central Wholesale Stores Ltd
(2) Date of registration 28-3-1943
(3) Date of starting 28-3-1943
(4) Headquarters of the stores .. .. Manpalore
(5) Area of operation .. .. South Kanara District
(6) Postal address .. .. Manpalore

II. (1) Name of the auditor .. .. Furnished in the last Page.
(2) Headquarters of the auditor .. .. —do—
(3) Dates of audit .. ..
(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. ——

III. Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.				655				297,500				4150
(2) Admitted during the year.				75				36,000				720
(3) Removed during the year.				—				1500				30
(4) At the end of the year ..	451	172 68	39	730				2,42,000				4840

IV Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1945-1946. Under class B.

(2) The society was classified in

1942-1943 .. .. .. Under class A
1943-1944 .. .. .. " B
1944-1945 .. .. .. " B

NOTE.—Refer to the instructions given below regarding the classification of societies.

Note for Classification of Societies.

Class

A Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class socity.

B Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C All other societies.

D A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

STATEMENT

Receipts and Disbursements

Receipts.				
1. Share capital	36,000	–	36,000	
(a) Individuals				
(b) Societies				
(c) Institutions				
2. Deposits and borrowings from—				
(a) Members—				
(i) Fixed deposits — Short term	29,500	–		
(i) Fixed deposits — Long term				
(ii) Trade deposits	1500	–		
(iii) Provident fund for staff				
(iv) Security deposit from staff	250	–		
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term	58.176	–		
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	18,883	–		
(iv) Others				
Cash credit				
(c) Central Banks — Short term	2,24,14,142	5	2,25,22,451	5
(c) Central Banks — Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
(i)				
(ii)				
(iii)				
3. Recovery of credit sales				
4. Sale-proceeds—				
Own goods	2,53,12,790	10	2,53,12,790	10
Consignment goods				
5. Return or refund of purchases	22722	10	22,722	10
6. Processing or manufacturing account				
Value of gingelly seeds — Utilized for processing or conversion.				
Value of redgram — Utilized for processing or conversion.				
Value of paddy — Utilized for processing or conversion.				
7. Interest	36	15	36	15
8. Miscellaneous income—	94,699	14	94,699	14
(i) Entrance fees				
(ii) Penalties				
(iii) Interest on investments — Trade charges	99,138	13	99,138	13
(a) Reserve fund				
(b)				
(iv) Dividend on shares in—				
(a) Central Bank				
(b)				
(v) Other heads—				
(1) Collectors account	1,27,058	15	1,27,058	15
(2) Errors	8,846	1	8,846	1
(3) Audit objections	183	–	183	–
(4)				
(5)				
(6)				
Carried over			4,82,23,928	3

No. I.

or the year ending 30th June 1946

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	1500	-	1500	-
(b) Societies				
(c) Institutions				
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits — Short term	42,250	-		
(i) Fixed deposits — Long term				
(ii) Trade deposits	1,500	-		
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term	80,032	8		
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	6,545	-		
(iv) Others—				
Cash credit				
) Central Banks — Short term	2,31,67,102	15	~~2,31,67,102~~ 2,32,97,430	~~15~~ 7
) Central Stores — Long term				
) Others — Short term				
) Others — Long term				
(i)				
(ii)				
(iii)				
) Other loans (specify) — Short term				
) Other loans (specify) — Long term				
Credit sales issued — Short term				
Credit sales issued — Long term				
Stock bought—				
Own goods	2,22,05,463	13	2,22,05,463	13
Consignment goods	2,46,189	9	2,46,189	9
Sales returns				
Payment out of profits of previous years—				
(i) Reserve fund National Savings Certificates etc.	36,350	8		
(ii) Honorarium				
(iii) Dividend	2,225	1		
(iv) Common good fund	1,650	-		
(v) Bonus or rebate on purchases	19,588	7		
(vi) ~~Price Fluctuation Fund~~ Bonus to Staff	111	12	59,725	12
(vii) Dividend Equalization Fund				
viii) Building Fund				
(ix) Bad debt reserve				
Establishment and Contingencies (vide Annexure for details).	4,31,806	1	4,31,806	1
Miscellaneous payments—				
(i) Penalties				
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for supervision				
(v) Sales tax				
Carried over			4,62,42,315	10

STATEMEN

Receipts and Disbursements

Receipts—cont.		Rs.	A.	Rs.	A.
Brought forward ..				4,22,23,924	3
9 Adjusting heads (give details)—					
(a) Due to society		98,41,032	4		
(b) Due by society		83,07,036	3	1,81,48,068	7
10. Investments withdrawn—					
(i) Cash Certificate	250-0-0 ..				
(ii) Bank of Mangalore ..	21,478-0-0 ..				
(iii) Jayalaxmi Bank	761-12-0 ..				
(iv) Current a/c ..	10,68,322-4-0 ..	10,90,812	-	10,90,812	-
(v)					
(vi) Sale of Furniture		7,660	-		
Equipment (car)		3174	7	10,834	7
Eliminates Entries		1,11,25,153	8	1,11,25,153	8

.. ..		7,85,98,796	9
ance		1,58,431	6
.. ..		7,87,57,227	15

1—*cont.*

ır the year ending 30th June 1956—*cont.*

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..			4,62,42,315	10
Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items				
. Adjusting heads (give details)—				
Due to society	1,01,53,343	3		
Due by society	82,98,666	14	1,84,52,010	1
.0. Investments made—				
(i) Furniture bought	17,232	7		
(ii) Cash certificate	250	-		
(iii) C.A in S.C.C. Bank	10,08,098	15		
(iv) C.A in Other Banks	21,888	-	10,89,643	13
(v) Shares in Central Bank	37,000	-		
(vi) Motor Car	3174	7		
Revenue deposit with Govt.	2000	-		
Trading charges	15,84,544	9	15,84,544	9
Interest paid	1,76,368	9	1,76,368	9
Audit objection	183	-	183	-
Errors	8866	1	8866	1
Miscellaneous loss c/c	71	8	71	8
Amount written off	30	11	30	11
Preliminary items	1,11,25,153	8	1,11,25,153	8
. .. .			7,86,79,167	6
. .. .			78,060	9
. .. .			7,87,57,227	15

Provision for bad & doubtful debts (
1) Credit sale to Primary Soc — Rs 3136-0-
2) Interest accrued due from Soc — 5772-
3) Shortage in produce stock — 3312-
4) Provision for fall in trade of consumer goods — 4000-
Rs 16,220-

6

STATEMENT

Balance Sheet

	At the end of the year.		At the beginning of the year.	
Liabilities.	Rs.	A.	Rs.	A.
1. Loans and deposits—				
(a) Members—				
(i) Fixed deposits .. { Short term .. .. / Long term	51,850	-	64,600	-
(ii) Trade deposits				
(iii) Provident deposits for staff	2,250	-	2000	-
(iv) Security deposits from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits .. { Short term .. .. / Long term	49,576	-	71,432	8
(ii) Provident fund for staff				
(iii) Security deposits from staff	71,763	-	59,425	-
(iv) Others				
(c) Central Bank .. { Cash credits .. / Short term .. .. / Long term	42,69,721	1	50,22,681	11
(d) Central Stores				
(e) Others .. .. { Short term .. .. / Long term				
2. Share capital	2,42,000	-	2,07,500	-
3. Interest due	87,059	8	3,527	11
4. Processing and manufacturing account expenses pending payment.				
5. Establishment and contingent charges due	62,322	10	60,669	13
6. Other items— Provision for bad and doubtful debts	16,220	-		
(i) Sales Tax due Reserve for Hakangady Depot	3614	-	3614	-
(ii) Contribution for audit fee Other Reserve ..	1000	-	1000	-
(iii) Supervision— Trading account ..	11,73,297	-	6,38,459	3
(iv) Adjusting heads (specify)—				
(a) (For details Page 4.)	89,500	5	81,021	13
(b) Amount due to Govt. as ofc and				
(c) Short payments to Rice ..	1,94,741	15	67,683	-
(d)				
(e) Audit objections	183	-		
(f)				
7. Undisbursed profits of previous years—				
(i) Honorarium				
(ii) Dividend	447	10	2672	11
(iii) Common good fund	3220	-	4870	-
(iv) Bonus or rebate on purchases by members to Staff	597	12	709	8
(v) Price Fluctuation Fund or business losses reserve ..				
(vi) Dividend equalization fund	10,000	-	10,000	-
(vii) Building fund	11,373	12	11,373	12
(viii) Bad debt reserve	5000	-	5000	-
(ix) Bonus or Rebate on purchases ..			19,588	7
(x) Undisbursed profits	15,564	8		
8 Reserve fund—				
Separately invested	36,415	10	65	2
Yet to be invested	10,476	9	36,450	11
9. Total Liabilities	64,08,194	4	63,74,346	14
10. Net difference between assets and Liabilities	55,088	14	25,940	4

o. II.

as on 30 · 6 - 19Feb.

Assets.	At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
1. Cash—				
(1) On hand	78,060	9	1,58,431	6
(2) In Bank				
(i) C.A. in other Banks	110	11	462	7
(ii) C.A. in Central Bank	31,377	3	91,600	8
(iii)				
(iv)				
(v)				
2. Other investments—				
(i) Reserve fund—				
(a) In the Co-operative Central Bank	67	1	65	2
(b) In the debentures of the Central Land Mortgage Bank.				
(c) In Defence Bonds or National Savings Certificates	36,348	9		
(ii) Shares taken in the Co-operative Central Bank	2,37,000	-	2,00,000	-
(iii) Shares taken in the Central Stores				
(iv) Shares in other Co-operative institutions Coop. Fire & General Insurance Society	100	-	100	-
(v) Fixed deposits Revenue deposit with Govt.	2000	-		
3. Credit sales—				
(a) Due by members				
(b) Due by directors				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term — Considered good				
Short term — Doubtful				
Long term — Considered good				
Long term — Doubtful				
5. Interest accrued on credit sales Hire. income due	14,510	14	4,385	2
Do. investments				
6. Other items—				
(i) Value of furniture and equipments *less* depreciation	28,516	-	16,072	-
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased.				
(iv) Library				
(v) Value of machinery held less depreciation				
(vi) Value of lorries owned less depreciation	13,747	-	20,621	-
7. Value of stock on hand — Own goods	48,87,333	1	51,90,344	15
7. Value of stock on hand — Consignment goods				
8. Adjusting heads (specify)—				
(i) Suspense Assets (Page 16 for details)	10,30,623	6	7,18,203	4
(ii) Value of Rajidue from South Arcot	73,465	8		
(iii) Subsidy due from Govt.	37,840	4		
(iv)				
(v)				
(vi)				
(vii) Audit objection	183	-		
(viii)				
(ix)				
(x)				
9. Total Assets	64,63,283	2	64,00,285	12

STATEME

Profit and Loss Account

Loss.	Rs.	A.		
1. Interest paid and due—				
(a) Paid	1,76,368	9		
Add—				
(b) Interest pending payment	87,059	8		
Total ..	2,63,428	1		
(c) *Deduct*—Interest pending payment at the end of the previous year.	3,527	11		
(d) Net amount	2,59,900	6	2,59,900	6
2. Establishment and contingent charges paid and due ..	4,33,458	14	4,33,458	14
3. Amount written off as bad debts	16,220	-	16,220	-
4. Miscellaneous items .. .. { Depreciation	12,09217		12,1-4	10
{ Other items	102 3			
5. Provision for doubtful assets ..				
6. Last year's loss	71-8			
	102-3			
Total ..			7,21,683	14
7. Net profit (+) ~~or loss (—)~~.			55,088	14

No. III.

for the year ~~ending~~ ending 30th June 1946.

Profit.	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—				
Add—				
(*b*) Interest accrued, but not overdue				
Total ..				
Deduct—				
(*c*) Interest accrued at the end of the previous year ..				
Net ..				
2. Gross profits as per trading account	6,71,910	3	6,71,910	3
3. Miscellaneous income—				
(i) Amount realized	94,736	13		
Add—				
(ii) Amount pending recovery	14,510	14		
..	~~14,385 20~~ 1,09,247	11		
Deduct—				
(iii) Amount pending realisation at the end of the previous year.	4,385	2		
Net amount ..	1,04,862	9	1,04,862	9
Total ..			7,76,772	12

	Rs.	A.
NOTES.—(1) Net profit as per Statement No. II	55,088	14
(2) * *Deduct* profit included in the balance sheet but not available for distribution.		
or		
† *Add* profits of previous years now made available for distribution		
Net amount or total available for distribution as per profit and loss statement above ..	55,088	14

There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV.

Statement of Overdue Assets and Liabilities.

Demand, Collection and Balance.

Major head.	Item.	Amount.	
		Rs.	A.
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		
II. Supervision Fund.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		
		Short term.		Long term.	
		Rs.	A.	Rs.	A.
III. Loans and deposits due by the stores.	1. Amount payable on account of the current year with arrears of previous years.	2,32,89,385	7	8045	—
	2. Amount for which extension was granted lasting beyond the year.				
	3. Repaid during the year out of the amount in column (1)	2,32,89,385	7	8045	—
	4. Paid in advance, if any				
	5. Total [columns (2) *plus* (3)]	2,32,89,385	7	8045	—
	6. Balance [columns (1)—(5)]				
		Rs.	A.		
IV. Interest due by the stores.	1. Accrued and falling due during the year with the arrears of previous years.	1,76,368	9		
	2. Amount paid during the year	1,76,368	9		
	3. Balance				
V. Amounts due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Entrance fees for shares	132	8			132	8			132	8
(b) Transfer fees for shares										
(c) Dividend on share capital—										
(i) Central Bank	7710	7			7710	7			7710	7
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv)										
(d) Interest on Reserve Fund invested										
(e) Interest on other investments										
(f) Sales tax collected										
(g) Sale-proceeds of books and forms										
(h) Other items (specify)—										
(1) Rent	146	11	~~Heb~~	~~11~~	146	11			146	11
(2) Books & forms	67	9			67	9			67	9
(3) Refund of Taxes etc Com.	719	6			719	6			719	6
(4) T.A. recovered	65	10			65	10			65	10
(5) Conveyance charges recovered	34	14			34	14			34	14
(6) Training class	567	-			567	-			567	-
(7) Ed. charges recovered	60	-			60	-			60	-
(8) Miscellaneous income	15,930	11			15,930	11			15,930	11
(9) Interest	1003	13	346	10	1,350	7	341	6	1009	1
(10) Postage recovered	10	-			10	-			10	-
Lorry	64,267	9	6,971	6	71,178	15	-		71,178	15
Insurance	4043	12	7192	14	11,236	10	4,043	12	7,192	14
Total	94,699	14	14,510	14	1,09,210	12	4,385	2	1,04,825	10

NOTES.—(1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

ANNEXURE II TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.	Due at the end of the year.	Total.	Due at the beginning of the year.	Loss account.
	Rs. A.	Rs. A.	Rs. A.	Rs. A.	Rs. A.
Establishment charges	1,79,555 12	31,028 13	2,10,584 9	39,695 3	1,70,889 6
Contingencies—					
(a) Account books	10,543 1		10,543 1		10,543 1
(b) Postage	6,259 3		6,259 3		6,259 3
(c) Stationary	1,584 -		1,584 -	521 -	1,063 -
(d) Remittance charges	4935 5		4935 5		4935 5
(e) Affiliation fees					
(f) Delegation fees					
(g) Lighting	797 1		797 1		797 1
(h) Cleaning					
(i) Coolie	15 11	388 6	404 4		404 4
(j) Repairs					
(k) Rent	88,016 11	8,375 8	96,392 3	623 8	95,768 11
(l) Rates and taxes—other than sales-tax.	823 1		823 1		823 1
(m) Printing charges	32 -	32 -	32 -		32 -
(n) Subscription to bulletins					
(o) Godown rent					
(p) Insurance charges (fire and war risks).	36,038 15		36,038 15		36,038 15
(q) Travelling allowance ..	17,114 1	1,878 6	18,992 7	1013 15	17,978 8
(r) Miscellaneous ..	14,072 9		14,072 9		14,072 9
(s) Entrance fee ..	5 8		5 8		5 8
(t) Contingencies ..	613 15	42 9	656 8		656 8
(u) Commission on trade ..	264 14		264 14		264 14
(v) Lorry section ..	50,441 9	3,505 10	53,947 3	2,277 3	51,670 -
(w) Cadre Audit ..	26,724 10	17,071 6	43,796 -	16,539 -	27,257 -
(x)					
(y)					
(z)					
Total ..	4,31,806 1	62,322 10	4,94,128 11	60,669 13	4,33,458 14

ANNEXURE III TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Gingelly oil production—										
(*a*) Coolie for drying and cleaning ..										
(*b*) Cost of jaggery purchased ..										
(*c*) Milling charges										
(*d*) Packing of tins or casks and other charges.										
(*e*) Cartage to and from mill										
(*f*) Other items (handling)										
(2) Dhall production—										
(*a*) Coolie for washing, drying and cleaning.										
(*b*) Cost of red mud										
(*c*) Grinding charges										
(*d*) Cartage to and fro										
(*e*) Other items, if any (handling) ..										
(3) Conversion of paddy into rice—										
(*a*) Hulling charges										
(*b*) Storage charges										
(*c*) Cartage to and fro										
(*d*) Other charges (handling)										
(4) Any others (hats, etc.)										

Details of Establishment—(To be shown Separately for General Section and Procurement Section.)

Name of incumbent. (1)	Designation. (2)	Scale of pay. (3)	Actual pay. (4)	Allowance. (5)	Travelling Allowance fixed, if any. (6)	Extent of Security offered. (7)	Qualification. (8)	Remarks. (9)

Auditor.

List showing godowns owned or rented by the Stores as on 195 .

Serial number. (1)	Name of the Depot that engaged godowns. (2)	Number of godowns owned or engaged with place of location. (3)	Rent per mensem. (4)	Capacity of storage in terms of bags. (5)	Whether the godown is sufficiently safe. (6)	Remarks. (7)

Auditor.

List of stock held by the Stores for more than six months as on 195 .

Serial number (1)	Particulars of items. (2)	Date or dates of purchases. (3)	Quantity in Stock. (4)	Average purchase price. (5)	Actual value of stock on (6)	Probable loss involved, if any. (7)	Remarks. (8)

Auditor.

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 30th June 1966

Particulars.	RS.	A.	Particulars.	RS.	A.
			2,53,12,790-10 / 2,46,189-7		
(1) Value of stock on hand at the beginning of the year.	51,90,344	15	(1) Sale proceeds less sales returns ..	2,50,66,601	1
(2) Value of goods bought during the year less purchase returns. 2,22,06,463-13 / 22,722-10 / 2,21,82,741-3	2,21,82,741	3	(2) Value of goods on hand at year.	48,87,335	1
(3) Trade charges—			Subsidy due from Govt.	37,840	4
(i) Lorry account paid and due			Value of Rafi due from South Arcot	73,465	8
(ii) Processing or Manufacturing account Expenses paid and due.			Trade charges received	99,138	13
(iii) Sales tax paid and due					
Bills pending payment 10,01,903-7 / Less last years 5,98,420-3 / 4,03,483-4	4,03,483	4			
Trading charges paid- 15,84,544-9 / Pending 1,71,393-7 / 17,55,938-2 / Less last years 40,039-0 / 17,15,899-2 Total ..	17,15,899	2			
Total ..	2,94,92,468	8	Total ..	3,01,64,378	11
(+) Gross profit ..	6,71,910	3	(—) Gross loss ..		

APPENDIX No. (1)

A. Details of doubtful debts.

Member number. (1)	Details of amount outstanding. (2) RS.	A.	Doubtful debts probable loss. (3) RS.	A.	Reasons for considering the amount as doubtful. (4)
1. Credit Sales to primary Societies	3136	-	16,220	-	As per Executive Committee resolution dated 2-6-15.5.67.
2. Suspense Amts due last year	5772	-			
3. Shortages in Foundation Stock	3312	-			
4. Provision for fall in the Value of Consumer goods	4000	-			
	16,220	-			

B. Details of assets written off.

Particulars of assets written off. (1)		Amount written off. (2)		Reasons for writing off. (3)
RS.	A.	RS.	A.	
		30	11	

APPENDIX No. (2).

ADJUSTING HEAD.

(a) *Due to Society*—

Particulars. (1)	Pending at the beginning of the year (assets). (2)		Issued during the year. (3)		Total of columns (2) and (3). (4)		Received during the year. (5)		Outstanding at the end of the year (assets). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1. Advances due—										
(a) From members										
(b) From merchants or suppliers.										
(c) From others										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(b) *Due by Society*—

Particulars. (1)	Pending at the beginning of the year (liabilities). (2)		Received during the year. (3)		Total of columns (2) and (3). (4)		Paid during the year. (5)		Pending at the end of the year (liabilities). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1, Advances due to—										
(a) Members										
(b) Merchants or suppliers ..										
(c) Others (specify) ..										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(c) *Other items*—

	Rs.	A.
(1) Value of furniture at the beginning of year	16,072	
Do. bought during the year	17,232	7
Total	33,304	7
Less sale during the year	7,658	0
Deduct depreciation at 20 per cent	25,646	7
Value at the end of the year	5128	
(2) Is a register of furniture maintained? Take stock and certify	Rs. 20,576	0

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society.

Auditor.

	Rs.	A.
(3) Value of society's buildings at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(4) Value of Library books at the beginning of the year		
Do. bought during the year		
Total		
Deduct depreciation at per cent		
Value at the end of the year		
(5) Adjusting heads written off		

(Give particulars.)

(d) *Immovable properties purchased by the society*—

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value? Is a register of immovable properties purchased maintained? Give particulars below:—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

	Rs.	A.
(2) Expenses incurred on their maintenance including kist paid to Government		
(3) Income realized		

(4) Attach a certificate from the directors in the following form:—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society and hat the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

	Lorries.								Total.	
(e) *Lorries*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(i) Value at the beginning of the year									3,687	—
(ii) Materials purchased during the year ..									—	
(iii) Total									3,687	—
(iv) *Deduct* depreciation at 2½ per cent ..									9274	—
(v) Value at the end of the year									13,747	—

	Different varieties.									
(f) *Carts and Other vehicles*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(i) Value at the beginning of the year										
(ii) Bought during the year										
(iii) Total										
(iv) *Deduct* depreciation at per cent										
(v) Value at the end of the year										

(g) Details of stock of empties including gunnies on 195

(1)	Number. (2)	Value. (3) Rs.	A.
1. Total opening stock on			
2. Purchases made in the year or got in the course of trade			
3. Received by transfer from one depot to another			
Total ..			
4. Transfer to other depots			
5. Sales in the year or releases to retailers or customers in test in the course of trade ..	Details not available.		
Total ..			
6. Stock on			

Notes.—(1) Figures in columns (3) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct

Auditor

General.

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund? Compare it with actual borrowings. 47,80,255-14

(2) Was it exceeded at any time? How long? By how much? yes.

(3) What is the total working capital of the stores?

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest? If not, give particulars, omit cases where extensions have been sanctioned.

5) What Is the total cash credit given by the Central Bank and what is the total credit accommodation given by the Central Stores? Was the limit exceeded at any time? If so, by how much and for what period?

(6) Was the cash balance verified? What is the cash balance and does it agree with the entry in the cash-book?

(7) Who is in charge of the cash balance? And who is responsible for it under the by-laws of the stores?

(8) Is the cash book closed on each day on which there are transactions? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President?

(9) (*a*) Has the stores taken adequate security from the employees who permanently or occassionally handle cash?

(*b*) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society?

(*c*) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings? Please append a statement in the following form :—

The M.B.P. of the Stores is fixed by the ~~Registrar~~ from time to time with special reg. to procurement requirements.

8 times the paid up share capital plus Reserve Fund and the Registrar has fixed it the same at 35 lakhs, between 31.12.45 & 31.3.46 and at 50 lakhs between 1.4.46 & 31.5.46 and Rs 60 lakhs for June 46.

– Rs. 47,34,052-4-0

yes

Rs. 2 lakhs less than that fixed by the Registrar making allowance for other borrowings.

yes. By the various Auditors in various depots, General section and Food section.

Executive Officer in Food Office, Secretary in the General Dept. and various Officers & Agents in the various depots.

Yes. except those notes in the defects sheets by the various Auditors.

In the majority of the cases security has been obtained but considering the heavy stock & cash they handle, the securities are not quite adequate.

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(*d*) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security? Have they given a certificate to this effect? If so, append a copy of it to the audit report.

(*e*) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate?

(*f*) Are there cases of violation of Rule XXVII-B? If so, specify the instances with full particulars.

Notes.—(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. in words (Rupees) on and found it to agree with the cash-book."

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

Separately furnished in Audit reports of the Depots General and Food Section.

II. The rates of interest given by the stores are as follows :—

(*a*) On deposits from individuals.
1. Fixed deposits. Members 3 2 0
2. Trade deposits.
3. Provident fund deposits. 4 %
4. Security deposits from staff.
5. Others.

(*b*) On loans from Central Bank. 4½ %

(*c*) On cash credit from Central Bank.

(*d*) On borrowing from the Central Stores.

III. (1) (*a*) Has the stores maintained all the books and registers prescribed by the Registrar? State the names of the books or registers not maintained.

Yes except those notes in defects sheets of the individual depots, General and Food sections.

(*b*) State the number of branches or depots working on the last day of the year? How are the branch accounts incorporated in the main accounts of the head office? Is it daily or monthly?

147 depots. Branch accounts are not incorporated in Head Office. Periodical statements are received for Compiling statements.

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales? Yes

(3) Did you check the sales chit completely or only test-check them? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

Yes

Dates of sales chits checked. (1)	Total number of sales chits involved in each day. (2)	Result of the test-check.

(4) Is there an 'internal check' of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

Yes. Stock verification officer checks cash side and stock side in Motamil depot. In General dept. cash is checked daily by the accountant and stock register separately by a clerk.

(5) Are all the account books written up properly and up-to-date? Is the distribution of work regarding maintenance of accounts conducive to prompt and efficient maintenance of accounts?

Yes. except in cases pointed out in defects that, if universal depots, General & Food depts.

(6) Are there any sub committees such as 'Prices sub-committee,' 'Purchase sub-committee,' etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each sub-committee?

Yes

3

(7) Has the stores introduced the compartmental system for stocking goods? If so, is it working satisfactorily?

This is a wholesale stores. Compartment system is not found necessary.

(8) Does the godown clerk maintain a separate register for goods received and issued? Is the stock according to this register tallied periodically with the balances as found in the Purchases, Issue and Stock Register maintained in the head office?

Not in some cases.

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

General department — store-keeper.
Depots — agents.

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

General dept. — stock verification not done every quarter by the Directors.
Universal depots — stock verified by the stock verification officers.

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register?

Yes. but there are omissions.

(12) Have all the invoices been properly entered in the accounts?

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

Yes, except those mentioned in the Summary of defects of the various depots &c.

Auditor.

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? (This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

(14) Give details of the establishment of the stores. (See a separate statement annexed.) Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

(15) Is the stores making its purchases from the district central or wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

This is a wholesale stores

(16) Has the stores worked out its own standard of depreciation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

no standard of depreciation in force.

(17) (*a*) When was the directorate elected last? Give their names.

17. 6 47

(*b*) Do they meet at frequent intervals as required in By-law No. 21?

They meet whenever necessary.

(*c*) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

No

(*d*) Are any of the directors disqualified to hold office under Rule XXVII.

Not to our knowledge

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Reserve fund	36,575	13	10,376	6	46,892	3			46,892	3
(b) Honorarium										
(c) Dividend at per cent	2,672	11			2,672	11	2,225	1	447	10
(d) Common good fund	4,870	-			4,870	-	1,650	-	3,220	-
(e) Bonus or rebate on purchases by members ..	19,588	7			19,588	7	19,588	7	—	
(f) Price fluctuation fund or business losses reserve..										
(g) Dividend equalization fund	10,000	-			10,000	-			10,000	-
(h) Building fund	11,373	12			11,373	12			11,373	12
(i) Bad debts reserve	5,000	-			5,000	-			5,000	..
(j) Undisbursed profits			15,564	8	15,564	8			15,564	8
Bonus to staff	709	8			709	8	111	12	597	12

CERTIFICATE TO BE FURNISHED BY THE AUDITOR

We the auditors duly authorized to audit the accounts of the S.K. Ca——
Coop. Wholesale stores society hereby certify that we have audited the accounts of the said —— stores society on dates monthly & other yearly and further certify subject to the special notes appended hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores;

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposits and borrowings shown in the ledger;

(c) that the outstanding amount in respect of credit sales (in the case of stores societies which are permitted to sell on credit under the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due under 'credit purchases' shown in the balance sheet tally with the total of credit purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the total of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the sums shown against the persons in the ledgers;

(g) that the value of the stock as per the stock verification statement agrees with that shown in the balance sheet and that individual items in the stock lists were checked with reference to the balances shown in the stock book;

(h) that the Board of Management of the stores have appended a certificate of soundness or otherwise about the credit sales and that in my opinion the estimate of the Board of Management is fairly correct. I consider that a bad debt reserve of Rs. 16,220 may be created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorised and within the budget allotment;

(j) that I have examined the investments made by the society with reference to the documents and vouchers supporting the same and also checked them by obtaining information from the banks in which the investments are held and I have found that the amounts shown as outstanding at the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the 'internal check' employed by the stores is efficient and that I test-checked with following results;

(m) that the quarterly stock-taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the deficits noticed; except as noted in the body of the report.

(n) that I checked on 30-6-46 and subsequent date the actual stock in respect of the following articles and found it to agree with the book balance. Except as mentioned in stock verification statements.

NOTE.—Discrepancies if any, in each article, should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorized.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE, Mangalore, } (Sd) T. K. Anandaw, (Sd) V. Veerashikara,
Dated May 1947. } Auditors.

Auditor

AUDIT CERTIFICATE.

Audit certificate by Sri M. Srinivasa Shanbogue B.A., Deputy Registrar of Co-operative Societies, on the accounts of the South Kanara Central Coop. Wholesale Stores, Limited, for the year ended 30th June 1946

The accounts of the South Kanara Central Coop. Wholesale Stores, Limited, in the Mangalore taluk of South Kanara district, for the year ended 30 June 1946, as audited by Sriyuths H. Ramachandra Rao, B.A. and passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by him are appended.

2. The year of audit is the fourth the year of the society's working.

3. *Members and share capital.*—The number of members ~~rose~~ / ~~fell~~ from 655 at the beginning of the year to 730 —— at the end of the year.

The share capital of the members amounted to Rs. 2,42,000 —— against Rs. 2,07,500 at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. 44,45,801-1-0 at the close of the year.

5. *Trading account*—The value of stock at the beginning of the year was Rs. 51,90,324-15 stock to the value of Rs. 2,21,82,761-3 was bought during the year, less purchase returns, etc, The total sales excluding sales returns, etc., amounted to Rs. 2,50,66,601-1-0 The value of stock at the end of the year was Rs. 48,87,333-1-0 —— The transactions resulted in a gross profit/~~loss~~ of Rs. 6,71,910-3-0

6. *Net profits.*—The stores earned/~~sustained~~ a profit/~~loss~~ of Rs. 55,028-14-0 for the year. According to by-law No. 40 of the stores, of the net profit, viz., Rs. 22,035-9-0 should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws.

7. *Reserve Fund.*—The Reserve Fund of the stores amounted to Rs. 46,892-3-0 at the beginning of the year. With the addition of Rs. 22,035- ordered in the above paragraph, the total of the Reserve Fund will be Rs. 68,927-12-0. The stores has utilised Rs. 10,476-9-0 of its Reserve Fund in its business.

8. *Business Reserve*—The amount to the credit of the Business Reserve created by the stores was Rs. —— at the end of the year.

(Sd) M. Srinivasa Shanbogue
Deputy Registrar.

2 (5)

8 2. Sri P. Subbi Reddi (13) R. Angatha Narayana Bhat.
2. " P. Subbi Reddi (14) " M.S. Pereira,
3. " M. Annamma, B.A. (15) " P.S. Prabhu,
4. " S. Veerashekara, (16) " U. Gajanana Rao (Phone Copy)
5. " M.V. Deva Rao, B.A. (17) " A.A. Rao, B.A.
6. " U. Ganesa Shenoy, B.A. (18) " V. Ramaiah,
7. " M.T. Rai, (19) " G. Sankaranarayana Rai,
8. " A. Sri Ramamurthy, (20) " H. Shanthi Rao,
9. " C.A.T. Menon, (21) " G.K. Nambiar.
10. " C.J. Britto, B.A. (22) " N.V. Paul.
T.K. Anandaw, B.A.

Deputy Registrar

17,002—9-3-50.

FINAL AUDIT REPORT

For the year ended 30-6- 1945

(CO-OPERATIVE STORES.)

(1) Number and name of the stores L. 472 .. S.K. Cooperative Central Wholesale Stores Ltd Mangalore
(2) Date of registration 28-3-1943
(3) Date of starting 28-3-1943
(4) Headquarters of the stores .. .. Mangalore.
(5) Area of operation .. .. .. South Canara District.
(6) Postal address .. .. Mangalore.

(1) Name of the auditor .. .. list enclosed.
(2) Headquarters of the auditor .. .. —do.—
(3) Dates of audit .. .. —
(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. —

Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.				352				122650				2453
(2) Admitted during the year.				304				84950				1699
(3) Removed during the year.				1				100				2
(4) At the end of the year ..				655				207500				4150

V. Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1944-45 Under class C

(2) The society was classified in

1941-1942 .. .. .. Under class A.
1942-1943 .. .. .. ,, B
1943-1944 .. .. .. ,,
1944-1945 .. .. .. ,,

NOTE.—Refer to the instructions given below regarding the classification of societies.

Note for Classification of Societies.

Class

A Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class socity.

B Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C All other societies.

D A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

]

Receipts.			
1. Share capital		84950	84950
(a) Individuals			
(b) Societies			
(c) Institutions			
2. Deposits and borrowings from—			
(a) Members—			
(i) Fixed deposits	Short term	69500	
	Long term		
(ii) Trade deposits			
(iii) Provident fund for staff			
(iv) Security deposit from staff		2000	
(v) Others			
(b) Non-members—			
(i) Fixed deposits	Short term	963 2 8	
	Long term		
(ii) Provident fund for staff			
(iii) Security deposit from staff		67050	
(iv) Others			
Cash credit Central Banks		17934619	1,81,69,581 8
(c) Central Banks	Short term		
	Long term		
(d) Central Stores			
(e) Others	Short term		
	Long term		
(i)			
(ii)			
(iii)			
3. Recovery of credit sales			
4. Sale-proceeds—			
Own goods		1794631C 14	1,79 46 31C 14
Consignment goods			
5. Return or refund of purchases		53987 15	53987 15
6. Processing or manufacturing account			
Value of gingelly seeds	Utilized for processing or conversion.		
Value of redgram			
Value of paddy			
7. Interest			
8. Miscellaneous income—	For details see page 11		
(i) Entrance fees		62729 14	62729 14
(ii) Penalties			
(iii) Interest on investments—			
(a) Reserve fund			
(b)			
(iv) Dividend on shares in—			
(a) Central Bank			
(b)			
(v) Other heads—			
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
Carried over			36317562 13

[o. 1.

for the year ending 30-6- 1945

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	100		100	
(b) Societies				
(c) Institutions				
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits .. .. Short term	5000			
Long term	~~5000~~ 6			
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits .. .. Short term	24,880			
Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff	9,875		39,755	
(iv) Others—				
Cash credit	1,49,94,356	10	1,49,94,356	10
(c) Central Banks .. .. Short term				
Long term				
(d) Central Stores				
(e) Others .. .. .. Short term				
Long term				
(i)				
(ii)				
(iii)				
(f) Other loans (specify) .. Short term				
Long term				
3. Credit sales issued .. .. Short term				
Long term				
4. Stock bought—				
Own goods	1,91,50782	10		
Consignment goods				
Sales returns	15843	12	1,91,66,626	6
5. Payment out of profits of previous years—				
(i) Reserve fund	1	5		
(ii) Honorarium				
(iii) Dividend				
(iv) Common good fund	130			
(v) Bonus & rebate on purchases to staff ..	382	1	513	6
(vi) Price Fluctuation Fund				
(vii) Dividend Equalization Fund				
(viii) Building Fund				
(ix) Bad debt reserve				
6. Establishment and Contingencies (vide Annexure for details).	3,02,219	5	3,02,219	5
7. Miscellaneous payments—				
(i) Penalties .. .. Bank charges ..	9,99,695		9,99,695	
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for supervision				
(v) Sales tax	1,74,261	7	1,74,261	7
To Interest paid.				
Carried over ..			3,56,77,527	2

STATEMENT

Receipts and Disbursements

Receipts—cont.	Rs.	A.	Rs.	A.
Brought forward ..			36317560	3
Adjusting heads (give details)—				
(a) Due to society	78,01,117	14		
(b) Due by society	892031	11		
10. Investments withdrawn (~~Head office~~)	29792	8	8722942	1
(i) Current A/c..(other Banks ..	29459	8		
(ii) Current A/c. Food Office ..	2,55229	13		
(iii) Current A/c. Agricultural Dept ..	1,48225	13		
(iv) Sale of Furniture	337	2		
(v) Lorry account (Capital) ..	2862	14		
(vi) Share Capital in S.C.B. ..	2[illegible]		17,56,11[illegible]	2
vii Encashment credits	264	3		
v Eliminations (with Deptt)	43519257	9	43,78,389	12
11. Total			5,11,75,003	2
12. Opening balance			33,922	2
13. Grand total			5,12,08925	4

1—*cont.*

or the year 30th June ending 1945—*cont.*

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..			35677527	2
8. Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items				
9. Adjusting heads (give details)—				
Due to society	78,72,166	2		
Due by society	1124026 20498	12 1	90,16690	15
10. Investments made—				
(i) Furniture bought	13049	11		
(ii) Current A/c — other Banks.	29419	1		
(iii) " .. .. .. Food Offices	2579239			
(iv) " .. .. .. General Dept.	15271351	10		
(v) Lorry account	30358	2		
(vi) Shares in S.E. Bank	120000		19,77,886	1
(vii) Extraneous debits ..	26464	3		
(viii) Eliminations (inter dept) ..	4351925	9	~~4351925 9~~ 4378389	6 12
.. ..			51050493	14
.. ..			158431	6
13. Grand total			51208925	4

STATEMENT

Balance Sheet

Liabilities.	At the end of the year. Rs.	A.	At the beginning of the year Rs.	A.
1. Loans and deposits—				
(a) Members—				
(i) Fixed deposits .. (Short term / Long term)	64,600			
(ii) Trade deposits				
(iii) Provident deposits for staff				
(iv) Security deposits from staff	2,000			
(v) Others				
(b) Non-members—				
(i) Fixed deposits .. (Short term / Long term)	78,438	8		
(ii) Provident fund for staff				
(iii) Security deposits from staff	80,482		8,850	
(iv) Others				
(c) Central Bank (Cash credits / Short term / Long term)	50,22,69		20,62,419	5
(d) Central Stores				
(e) Others (Short term / Long term)				
2. Share capital	2,27,500		1,22,650	
3. Interest due	3,687		80,037	
4. Processing and manufacturing account expenses pending payment.				
5. Establishment and contingent charges due	60,612	3	15,432	
6. Other items—				
(a) Sales Tax due	40,639			
(b) Contribution for audit fund — Trade deposits pending			27,775	
(iii) Supervision — Bills pending	5,93,450	3	26,478	12
(iv) Adjusting heads (specify				
(a) For certain see page 16.)	81021	13	3,03,782	7
(b) Reserved for Hakayaqui	3614			
(c) Other reserves — Bijat cash loss fund	1000		7721	10
(d) Amount due to sport.. for	67,683			
(e) short payment made to. Apply				
(f) Borrowings to staff	709	8		
7. Undisbursed profits of previous years—				
(i) Honorarium				
(ii) Dividend	2672	11	139	7
(iii) Common good fund	4870			
(iv) Bonus or rebate on purchases by members	19588	7		
(v) Price Fluctuation Fund or business losses reserve	10000			
(vi) Dividend equalization fund	11373	12		
(vii) Building fund				
(viii) Bad debt reserve	5800			
(ix)				
(x) Undisbursed profits				
8. Reserve fund—				
Separately invested	65	2	63	13
Yet to be invested	36,450	1	50	2
9. Total Liabilities	63,74,344	14	26,06,332	9
10. Net difference between assets and Liabilities	25,940	14	90,950	12

II.

on 30-6- 1945

Assets.	At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
1. Cash—				
(1) On hand	1,58431	6	33,922	8
(2) In Bank				
(i) current account in other Banks	462	7	498	14
(ii) of Food Office	2698	15	5	3
(iii) General Dept	88,901	9	9,991	12
(iv)				
(v)				
2. Other investments—				
(i) Reserve fund—				
(a) In the Co-operative Central Bank	69	2	63	13
(b) In the debentures of the Central Land Mortgage Bank.				
(c) In Defence Bonds or National Savings Certificates				
(ii) Shares taken in the Co-operative Central Bank				
(iii) Shares taken in the Central Stores	2,00,000		1,00,000	
(iv) Shares in other Co-operative institutions Fin.	100		100	
(v) Fixed deposits Finance				
3. Credit sales—				
(a) Due by members				
(b) Due by directors.				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term { Considered good				
Short term { Doubtful				
Long term { Considered good				
Long term { Doubtful				
5. Interest accrued on credit sales	4385	2	117	5
Do. investments Since all recovered in arrears				
6. Other items—				
(i) Value of furniture and equipments *less* depreciation	16072		5146	2
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased.				
(iv) Library				
(v) Value of machinery held less depreciation				
(vi) Value of lorries owned less depreciation	20,621			
7. Value of stock on hand { Own goods	51,90,344	15	19,02,323	4
7. Value of stock on hand { Consignment goods				
8. Adjusting heads (specify)—				
(i) For details see page 16	7,18,203	4	6,47,155	
(ii)				
(iii)				
(iv)				
(v)				
(vi)				
(vii)				
(viii)				
(ix)				
(x)				
9. Total Assets	64,00,285	12	26,99,323	7

STATEMENT

Profit and Loss Account

Loss.	Rs.	A.	Rs.
1. Interest paid and due—			
(*a*) Paid	1,74,261	7	
Add—			
(*b*) Interest pending payment	3,527		
Total ..	1,77,788	7	
(*c*) Deduct—Interest pending payment at the end of the previous year.	20,037		
(*d*) Net amount	1,57,751	7	57,751 7
2. Establishment and contingent charges paid and due ..			3,20,555 6
3. Assets written off as bad debts			8,660 15
4. Miscellaneous items .. .. { Depreciation			
{ Other items			3,614 1
5. Provision for doubtful assets .. Reserves ..			
6. Last year's loss			
Total ..			5,20,581 12
7. Net profit (~~(+) or loss (—)~~)			25,948 14
			5,56,529 10

No. III.

for the year Balgunj ending 30th June 1945

Profit.	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—				
Add—				
(*b*) Interest accrued, but not overdue				
Total ..				
Deduct—				
(*c*) Interest accrued at the end of the previous year ..				
Net ..				
2. Gross profits as per trading account	4,82,803	5	4,82,803	5
3. Miscellaneous income—				
(i) Amount realized	62,729	14		
Add—				
(ii) Amount pending recovery	4,385	2		
Total ..	67,115			
Deduct—				
(iii) Amount pending realization at the end of the previous year.	117	5		
Net amount ..	66997	11	66,997	11
Total ..				
Last years reserve released	6721	10	6,721	
Total			5,56,522	

	Rs.	A.
NOTES.—(1) Net profit as per Statement No. II	25,940	14
(2) * *Deduct* profit included in the balance sheet but not available for distribution.		
or		
† *Add* profits of previous years now made available for distribution		
Net amount or total available for distribution as per profit and loss statement above ..	25,940	14
	25,940	14

* There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV.

Statement of Overdue Assets and Liabilities.

Demand, Collection and Balance.

* Major head.	Item.	Amount.			
		Rs.			
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.				
	2. Amount paid				
	3. Balance				
II. Supervision Fund.	1. Amount recoverable on account of the year with arrears of previous years.				
	2. Amount paid				
	3. Balance				
		Short term.		Long term.	
		Rs.	A.	Rs.	A.
III. Loans and deposits due by the stores.	1. Amount payable on account of the current year with arrears of previous years.	150341	11		
	2. Amount for which extension was granted lasting beyond the year.				
	3. Repaid during the year out of the amount in column (1) ..	150341	11		
	4. Paid in advance, if any				
	5. Total [columns (2) *plus* (3)]	150341			
	6. Balance [columns (1)—(5)]				
		Rs.		A.	
IV. Interest due by the stores.	1. Accrued and falling due during the year with the arrears of previous years.	174,261		7	
	2. Amount paid during the year	174,261		7	
	3. Balance	—			
V. Amounts due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(*a*) Entrance fees for shares	516	8			516	8	22	12	493	12
(*b*) Transfer fees for shares										
(*c*) Dividend on share capital—										
(i) Central Bank	1307	-			1307	-			1307	-
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv) ..										
(*d*) Interest on Reserve Fund invested ..	1756	10	341	6	2098		46	9	2051	7
(*e*) Interest on other investments										
(*f*) Sales tax collected										
(*g*) Sale-proceeds of books and forms	3	12			3	12			3	12
(*h*) Other items (specify)—										
(1) Commission	295	1			295	1	48		247	1
(2) Sale of Liveries ..	1749	14			1749	14			1749	14
(3) Godly	3741	1			3741	1			3741	1
(4) Subscriptions	150	-	4043	12	4193	12			4193	12
(5) Postage	8	11			8	11			8	11
(6) Survey fees ..	25,104	1			25,104	1			25,104	1
(7) Rents	1249	4			1249	4			1249	4
(8) Transport charges ..	8829	12			8829	12			8829	12
(9) Miscellaneous	2507	13			2507	13			2507	13
(10) Procurement charges	7314	3			7314	3			7314	3
(11) Wages	241	6			241	6			241	6
(12) Railway freight & ferry hire charges	428	13			428	13			428	13
(13) Establishment charges	1098	12	-	-	1098	12			1098	12
(14) Sales tax received	6431	5			6431	5			6431	5
(15) Fines	2	-			2	-			2	-
Total ..	62729	14	4385	2	67,115	-	117	5	66,997	11

Notes.—(1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

ANNEXURE II TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss or gain.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Establishment charges [illegible] staff	82,133	13	25391	3	107525	0	309	11	[illegible]	6
(2) Contingencies—										
(a) Account books	7,483	3			7,483	3	—		7,483	3
(b) Postage	4,595	3	—		4595	3	—		4595	3
(c) Stationary	5,129	11	521	—	5651	11	—		5651	11
(d) Remittance charges	1,134	5	-		1,134	5	-		1,134	5
(e) Affiliation fees										
(f) Delegation fees										
(g) Lighting	374	3	-		374	3	2	5	371	
(h) Cleaning										
(i) Coolie										
(j) Repairs										
(k) Rent	55,930	7	623	8	51,553	15	1913	5	57640	1
(l) Rates and taxes—other than sales-tax.	4136	15	-		4136	15	-		4136	15
(m) Printing charges										
(n) Subscription to bulletins										
(o) Godown rent										
(p) Insurance charges (fire and war risks).	44,042	11	-		44,042	11	-		44,042	11
(q) Travelling allowance	5555	8	1013	15	6603	7	96	12	6506	11
(r) Commission	66972	4	30843		97,815	4	-		97815	4
(s) Interest	880	2	-		880	2			880	2
(t) Others.	21,418		2271	3	23,689	3	12	8	23,676	11
(u)										
(v)										
(w)										
(x)										
(y)										
(z)										
Total ..	3,02,219	5	60,669		13362889		2333	12	360555	6

Note:- Last years figure - 15,232-5-0
Sales Tax are taken to } 12898-9-0
trading A/c
Net. 2333-12-0

ANNEXURE III TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Gingelly oil production—										
(a) Coolie for drying and cleaning										
(b) Cost of jaggery purchased										
(c) Milling charges										
(d) Packing of tins or casks and othe charges.										
(e) Cartage to and from mill ..										
(f) Other items (handling) ..										
(2) Dhall production —										
(a) Coolie for washing, drying an cleaning.										
(b) Cost of red mud										
(c) Grinding charges ..										
(d) Cartage to and fro ..										
(e) Other items, if any (handling)										
(3) Conversion of paddy into rice—										
(a) Hulling charges										
(b) Storage charges										
(c) Cartage to and fro ..										
(d) Other charges (handling)										
(4) Any others (hats, etc.)										

Details of Establishment.—(To be shown Separately for General Section and Procurement Section.)

Name of incumbent.	Designation.	Scale of pay.	Actual pay.	Allowance.	Travelling Allowance fixed, if any.	Extent of Security offered.	Qualification.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Auditor.

List showing godowns owned or rented by the Stores as on 195 .

Serial number.	Name of the Depot that engaged godowns.	Number of godowns owned or engaged with place of location.	Rent per mensem.	Capacity of storage in terms of bags.	Whether the godown is sufficiently safe.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Auditor.

List of stock held by the Stores for more than six months as on 195 .

Serial number	Particulars of items.	Date or dates of purchases.	Quantity in Stock.	Average purchase price.	Actual value of stock on	Probable loss involved, if any.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Auditor.

Purchases — 1,91,50,782-10-0
Less returns. 53,987-15-0 15
1,90,96,794-11-0
Bill spundy 598420-3-0

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 195 .

Particulars.	Rs.	A.	Particulars.	Rs.	A.
196,95214-14-0 Deduct last year 26872-12-0					
(1) Value of stock on hand at the beginning of the year.	196,68,942-2-0		(1) Sale proceeds less sales returns	179,30,467 2	
(2) Value of goods bought during the year less purchase returns.	1902323-4		(2) Value of goods on hand at year.	51,90,344 15	
(3) Trade charges— Short payment to partium different Sale bill	196,68942-2				
(i) Lorry account paid and due ..	67,683-0				
(ii) Processing or Manufacturing account Expenses paid and due.					
(iii) Sales tax paid and due					
Trade charges Paid - 9,99,695-0 Selection - 40,039-0 — 10,39734-0 Discount 40673-10 9,99060-6	999060	6	Sales - 1,79,46310-14 Selection 15,843-12 1,79,30467-2		
Last years - 27775-1-2 Total .. Sales tax. 12898-9-2 40673-10-0	22638008	12	Total	2,31,20,812-1	
(+) Gross profit ..	482803	5	(—) Gross loss — ..		

APPENDIX No. (1)

A. Details of doubtful debts.

Member number. (1)	Details of amount outstanding. (2) Rs.	A.	Doubtful debts probable loss. (3) Rs.	A.	Reasons for considering the amount as doubtful. (4)
			Nil		

B. Details of assets written off.

Particulars of assets written off. (1) Rs.	A.	Amount written off. (2) Rs.	A.	Reasons for writing off. (3)

APPENDIX No. (2).

ADJUSTING HEAD.

(a) *Due to Society*—

Particulars.	Pending at the beginning of the year (assets).		Issued during the year.		Total of columns (2) and (3).		Received during the year.		Outstanding at the end of the year (asset).	
(1)	(2)		(3)		(4)		(5)		(6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1. Advances due—										
(a) From members										
(b) From merchants or suppliers.										
(c) From others										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

(b) *Due by Society*—

Particulars.	Pending at the beginning of the year (liabilities).		Received during the year.		Total of columns (2) and (3).		Paid during the year.		Pending at the end of the year (liabilities).	
(1)	(2)		(3)		(4)		(5)		(6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1, Advances due to—										
(a) Members										
(b) Merchants or suppliers ..										
(c) Others (specify) ..										
(1) ..										
(2) ..										
(3) ..										
2.										
3.										
4.										

) *Other items*—

	Rs.	A.
(1) Value of furniture at the beginning of year	5146	12
Do. bought during the year	13049	11
—for sales— Total ..	18195	13
	337	2
Deduct depreciation at 10 per cent	17858	11
	1785	11
Value at the end of the year	16072	0

(2) Is a register of furniture maintained ? Take stock and certify No regular register maintained.

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society.

Auditor.

	Rs.	A.
(3) Value of society's buildings at the beginning of the year		
Do. bought during the year		
Total ..		
Deduct depreciation at per cent		
Value at the end of the year		
(4) Value of Library books at the beginning of the year		
Do. bought during the year		
Total ..		
Deduct depreciation at per cent		
Value at the end of the year		
(5) Adjusting heads written off		

(Give particulars.)

(d) *Immovable properties purchased by the society*—

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court ? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value ? Is a register of immovable properties purchased maintained ? Give particulars below :—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

	Rs.	A.
(2) Expenses incurred on their maintenance including kist paid to Government		
(3) Income realized		

(4) Attach a certificate from the directors in the following form :—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society and that the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

	Lorries.								Total.	
(e) *Lorries*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(i) Value at the beginning of the year										
(ii) Materials purchased during the year										
(iii) Total										
(iv) *Deduct* depreciation at per cent ..										
(v) Value at the end of the year										

	Different varieties.									
(f) *Carts and Other vehicles*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs	A.
(i) Value at the beginning of the year										
(ii) Bought during the year										
(iii) Total										
(iv) *Deduct* depreciation at per cent										
(v) Value at the end of the year										

(g) Details of stock of empties including gunnies on 195 .

(1)	Number. (2)	Value. (3) Rs.	A.
1. Total opening stock on			
2. Purchases made in the year or got in the course of trade			
3. Received by transfer from one depot to another			
Total ..			
4. Transfer to other depots			
5. Sales in the year or release to retailers or customers in fact in the course of trade			
Total ..			
6. Stock on			

Notes.—(1) Figures in columns (3) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct.

General.

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund? Compare it with actual borrowings.

8 times the paid up share capital plus Reserve Fund. But the Registrar has fixed the same at 70 lakhs rupees

(2) Was it exceeded at any time? How long? By how much?

No

(3) What is the total working capital of the stores?

Rs 54,64,155/-

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest? If not, give particulars, omit cases where extensions have been sanctioned.

yes.

(5) What is the total cash credit given by the Central Bank and what is the total credit accommodation given by the Central Stores? Was the limit exceeded at any time? If so, by how much and for what period?

70 lakhs.

No

(6) Was the cash balance verified? What is the cash balance and does it agree with the entry in the cash-book?

yes, by auditors in various depots & executive officer in Food D'ship. Secretary in Central Department, Treasurer & auditor in details.

(7) Who is in charge of the cash balance? And who is responsible for it under the by-laws of the stores?

yes — except those noted in depots & individuals depots.

(8) Is the cash book closed on each day on which there are transactions? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President?

Not in some cases.

(9) (*a*) Has the stores taken adequate security from the employees who permanently or occasionally handle cash?

(*b*) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society?

(*c*) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings? Please append a statement in the following form :—

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(*d*) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security? Have they given a certificate to this effect? If so, append a copy of it to the audit report.

separately furnished in report

(*e*) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate?

(*f*) Are there cases of violation of Rule XXVII-B? If so, specify the instances with full particulars.

NOTES —(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. in words (Rupees) on and found it to agree with the cash-book."

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

II. The rates of interest given by the stores are as follows :—

(*a*) On deposits from individuals.
1. Fixed deposits. Members 3½. Non-Members 3½
2. Trade deposits. 4%.
3. Provident fund deposits. 4%.
4. Security deposits from staff.
5. Others.

(*b*) On loans from Central Bank.

(*c*) On cash credit from Central Bank.

(*d*) On borrowing from the Central Stores.

III. (1) (*a*) Has the stores maintained all the books and registers prescribed by the Registrar? State the names of the books or registers not maintained.

yes, except those noted in Rule 1. Register of individual depots.

(*b*) State the number of branches or depots working on the last day of the year? How are the branch accounts incorporated in the main accounts of the head office? Is it daily or monthly?

150, Branch accounts are not incorporated in the main accounts of the head office.

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales?

yes.

(3) Did you check the sales chit completely or only test-check them? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

yes.

Dates of sales chits checked.	Total number of sales chits involved in each day.	Result of the test-check.
(1)	(2)	(3)

(4) Is there an 'internal chek' of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

yes.
Not satisfactory, errors in defect chits.

(5) Are all the account books written up properly and up-to-date? Is the distribution of work regarding maintenance of accounts conducive to prompt and efficient maintenance of accounts?

yes except in cases pointed out in defect chits by auditors.

(6) Are there any sub-committees such as 'Prices sub-committee,' 'Purchases sub-committee,' etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each sub-committee?

yes
yes
3.

(7) Has the stores introduced the compartmental system for stocking goods? If so, is it working satisfactorily?

- as it is a wholesale store - Compartmental system is unnecessary.

(8) Does the godown clerk maintain a separate register for goods received and issued? Is the stock according to this register tallied periodically with the balances as found in the Purchases, Issue and Stock Register maintained in the head office?

} not in some cases

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

General department - Storekeeper.
Accounts - Depot

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

yes - Quarterly in the case of General Department by Taluk Officers.
Reports were submitted after verification

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register?

yes.

(12) Have all the invoices been properly entered in the accounts?

yes, except in cases pointed out in defect chits by auditors.

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

Auditor.

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? (This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

yes.

(14) Give details of the establishment of the stores. (See a separate statement annexed.) Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

Separately furnished

(15) Is the stores making its purchases from the district central or wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

? it is a wholesale Store

(16) Has the stores worked out its own standard of depreciation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

No standard of depreciation fixed

(17) (a) When was the directorate elected last? Give their names.

17-6-1965

1. Sri. M. Shiva Rao.
2. " K. Kunhappa.
3. " S. Narayanappaya.
4. " N. V. Kotaiah.
5. " M. C. Nambiar.
6. " P. Narayana Rao.
7. " M. R. Punja.
8. " B. Madhava Rao.
9. " B. G. Naik.
10. " A. Swamine Gowda.
11. " K. Venkappaya.
12. " M. A. Rai.
13. " P. Seetharamaya.
14. " S. Nagappa.
15. " Mr. P. Lalit Rai.

(b) Do they meet at frequent intervals as required in By-law No. 21?

yes

(c) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

No

(d) Are any of the directors disqualified to hold office under Rule XXVII.

No

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Reserve fund	119	15	36,395	14	36 515	13	-		36515	13
(b) Honorarium										
(c) Dividend at per cent	132	7	2540	4	2672	11	-		2672	11
(d) Common good fund			5000	.	5000	.	130	.	4870	.
(e) Bonus or rebate on purchases by members ..	—		19588	7	19588	7			19588	7
(f) Price fluctuation fund or business losses reserve..										
(g) Dividend equalization fund			10000	.	10000	.	—		10000	.
(h) Building fund			11 373	12	11373	12	-	—	11373	12
(i) Bad debts reserve			5000	.	5000	.	—		5000	.
(j) Undisbursed profits										
(k) Bonus to staff.			1091	9	1091	9	382	1	709	8

CERTIFICATE TO BE FURNISHED BY THE AUDITOR

I, We (the undersigned) the auditor duly authorised to audit the accounts of the S.K. Co-operative Central Urban stores society hereby certify that I have audited the accounts of the stores society on dates mentioned in report and further certify subject to the special notes appended hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores;

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposits and borrowings shown in the ledger;

(c) that the outstanding amount in respect of credit sales (in the case of stores societies which are permitted to sell on credit under the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due under 'credit purchases' shown in the balance sheet tally with the total of credit purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the total of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the sums shown against the persons in the ledgers;

(g) that the value of the stock as per the stock verification statement agrees with that shown in the balance sheet and that individual items in the stock lists were checked with reference to the balances shown in the stock book;

(h) that the Board of Management of the stores have appended a certificate of soundness or otherwise about the credit sales and that in my opinion the estimate of the Board of Management is fairly correct. I consider that a bad debt reserve of Rs. may be created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorised and within the budget allotment;

(j) that I have examined the investments made by the society with reference to the documents and vouchers supporting the same and also checked them by obtaining information from the banks in which the investments are held and I have found that the amounts shown as outstanding at the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the 'internal check' employed by the stores is efficient and that it is test-checked with following results;

(m) that the quarterly stock-taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the deficits noticed;

(n) ~~that I checked on the actual stock in respect of the following articles and found it to agree with the book balance.~~

NOTE.—Discrepancies if any, in each article, should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorized.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE,
Dated 27-5- 1946

(Sd) H. Ramamurthi.
Auditor

AUDIT CERTIFICATE.

Audit certificate by Sri Rao Sahib K. Sarvothama Rao M.A., Deputy Registrar of Co-operative Societies' on the accounts of S.K. Central Co-operative Urban Bank Stores, Limited, for the year ended 30th June 1945.

The accounts of the S.K.C.C. Urban Bank Stores, Limited. in the H. Rangapet taluk of Kolar district, for the year ended 30th June 1945 as audited by Sri H. Ramamurthi are passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by him are appended.

2. The year of audit is the Third the year of the society's working.

3. *Members and share capital.*—The number of members rose from 352 at the beginning of the year to 455 at the end of the year.

The share capital of the members amounted to Rs. 2,07,500-0-0 against Rs. 1,24,650-0-0 at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. 58,20,139-3-0 at the close of the year.

5. *Trading account*—The value of stock at the beginning of the year was Rs. 192,323-4-0 stock to the value of Rs. 196,942-2-0 was bought during the year, less purchase returns, etc, The total sales excluding sales returns, etc., amounted to Rs. 199,30,467-2-0 The value of stock at the end of the year was Rs. 51,90,344-15-0 The transactions resulted in a gross profit/loss of Rs. 4,82,803-5-0

6. *Net profits.*—The stores earned/sustained a profit/loss of Rs. 25940-14-0 for the year. According to by-law No. 40 of the stores, 40% of the net profit, viz., Rs. 10376-6-0 should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws. 36,515-13-0

7. *Reserve Fund.*—The Reserve Fund of the stores amounted to Rs. ^ at the beginning of the year. With the addition of Rs. 10,376-6-0 ordered in the above paragraph, the total of the Reserve Fund will be Rs. 46,892-3-0 The stores has utilised Rs. 36450-11-0 of its Reserve Fund in its business.

8. *Business Reserve*—The amount to the credit of the Business Reserve created by the stores was Rs. ——— at the end of the year.

(Sd) K. Sarvothama Rao.
Deputy Registrar.

1. Sri K. Srinivasa Rao
2. " K. Thedesini Rao
3. " P. Govindappa,
4. " T. Munisa,
5. " P. Subbiah
6. " H. Ammanna
7. " O. Keerathkara.
8. " M.S. Devadas.
9. " Coly. Bhatt.
10. " P.S. Prabhu
11. " U. Gajanana Rao.
12. " N. Shridhara

14. " M. Thimmappa.
15. " T. Sanjivachar (True Copy)
16. " G.A.T. Menon.
17. " A.A. Rao

Krishnaiah
Deputy Registrar.
2.11.50

...—5-5-50.

FINAL AUDIT REPORT

For the year ended 30th June 1944.

(CO-OPERATIVE STORES.)

I. (1) Number and name of the stores .. No 2. H.T2. : S.K. Co-operative Central Wholesale Store Ltd Mangalore

(2) Date of registration .. .. 28-3-1943.

(3) Date of starting .. .. .. 28-3-1943.

(4) Headquarters of the stores .. ..

(5) Area of operation .. ..

(6) Postal address .. ..

II. (1) Name of the auditor .. .. vide audit certificate.

(2) Headquarters of the auditor .. .. .. Mangalore.

(3) Dates of audit .. .. —.

(4) Whether concurrent audit was made; if so, number of visits made and number of days spent. No.

III. Members—

	Number.				Paid-up share capital.				Number of shares involved.			
	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.	Individuals.	Societies.	Institutions.	Total.
(1) At the beginning of the year.				136				19250				385
(2) Admitted during the year.				217				103700				2071
(3) Removed during the year.				1				300				6
(4) At the end of the year ..				352				122650				2453

IV. Classification of the society as in the year under audit and at previous audits—

(1) The society falls in the year under audit, i.e., 1943-1944. Under class B.

(2) The society was classified in

1942-1943 .. .. .. Under class A.

195 -195 .. .. .. ,,

195 -195 .. .. .. ,,

NOTE.—Refer to the instructions given below regarding the classification of societ

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Note for Classification of Societies.

Class

A Should receive no help from official or non-official staff, other than the annual audit. Such a society may be inspected, exhorted and encouraged; new proposal for the development of its activities may be made, but an inspection should not be necessary in order to remedy any defects. It must, in addition, contain all the distinguishing marks of a B class society.

B Must maintain its own accounts through a local Secretary, not a circle or itinerating Secretary. It must prepare its own monthly or crop demand, make its own recoveries from debtors, apply when necessary for arbitration, conduct its own execution proceedings in court and be generally in a sound and healthy condition. A society classed as B may, however, contain a certain number of defaulters, its accounts need not be faultless and its co-operative spirit and education may be, in some respects, short of perfection.

C All other societies.

D A bad society which will be cancelled and brought under liquidation, if it does not raise itself to class C within two years. No society should be classed as D so long as it is considered fit to receive a new loan on any terms whatever from its financing institutions.

STATEMENT

Receipts and Disbursements

Receipts.		
1. Share capital	103,700	103,700
(a) Individuals		
(b) Societies		
(c) Institutions		
2. Deposits and borrowings from—		
(a) Members—		
(i) Fixed deposits — Short term		
(i) Fixed deposits — Long term		
(ii) Trade deposits		
(iii) Provident fund for staff		
(iv) Security deposit from staff		
(v) Others		
(b) Non-members—		
(i) Fixed deposits — Short term		
(i) Fixed deposits — Long term		
(ii) Provident fund for staff		
(iii) Security deposit from staff	2,250	
(v) Others		
Cash credit		
(c) Central Banks — Short term e.c.c.	83,66401 1	83,68,651
(c) Central Banks — Long term		
(d) Central Stores		
(e) Others — Short term		
(e) Others — Long term		
(i)		
(ii)		
(iii)		
3. Recovery of credit sales		
4. Sale-proceeds—		
Own goods	62,78,645 2	62,78,645
Consignment goods		
5. Return or refund of purchases	6,570 4	6,570
6. Processing or manufacturing account—		
Value of gingelly seeds — Utilized for processing or conversion.		
Value of redgram — Utilized for processing or conversion.		
Value of paddy — Utilized for processing or conversion.		
7. Interest		
8. Miscellaneous income—		
(i) Entrance fees — For details see page 8	10,224 6	10,224
(ii) Penalties — For details see page 8		
(iii) Interest on investments— For details see page 8		
(a) Reserve fund — For details see page 8		
(b) — For details see page 8		
(iv) Dividend on shares in—		
(a) Central Bank		
(b)		
(v) Other heads—		
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
Carried over		

No. I.

for the year ending 30th June 1944.

Disbursements.	Rs.	A.	Rs.	A.
1. Share capital—				
(a) Individuals	300		300	
(b) Societies				
(c) Institutions				
2. Deposits and borrowings—				
(a) Members—				
(i) Fixed deposits — Short term				
(i) Fixed deposits — Long term				
(ii) Trade deposits				
(iii) Provident fund for staff				
(iv) Security deposit from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term				
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposit from staff				
(iv) Others—				
Cash credit				
(c) Central Banks — Short term C.C.L	63,22,761	12	63,22,761	12
(c) Central Banks — Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
(i)				
(ii)				
(iii)				
(f) Other loans (specify) — Short term				
(f) Other loans (specify) — Long term				
3. Credit sales issued — Short term				
3. Credit sales issued — Long term				
4. Stock bought—				
Own goods	74,41,545	9	74,41,545	9
Consignment goods				
Sales returns	1,08,006	15	1,08,006	15
5. Payment out of profits of previous years— Interest	9,053	9	9,053	9
(i) Reserve fund				
(ii) Honorarium				
(iii) Dividend				
(iv) Common good fund				
(v) Bonus or rebate on purchases				
(vi) Price Fluctuation Fund				
(vii) Dividend Equalization Fund				
(viii) Building Fund				
(ix) Bad debt reserve				
6. Establishment and Contingencies (vide Annexure for details).	90,901	7	90,901	7
7. Miscellaneous payments—				
(i) Penalties — Trade charges	3,38,405	10	3,38,405	10
(ii) Excess collections refunded				
(iii) Contributions for audit				
(iv) Contribution for supervision				
(v) Sales tax				
Carried over				

STATEMEN

Receipts and Disbursements

Receipts—cont.	Rs.	A.	Rs.	A.
Brought forward ..				
9 Adjusting heads (give details)— ~~Odds~~ S.K.A.C.W.S.	1,437	7		
(a) Due to society	49,41,434	-		
(b) Due by society	694,246	9		
10. Investments withdrawn— Lyrcle Transfer A/c	33985	4	56,71,100	4
(i) Central Station Plc. m & Bk.	2,48,727	1		
(ii) Food .. Office	2,495	3		
(iii) Mangalcar Dist. Jaljeevan Bank	99,095	-		
(iv) Sale of Furniture	22	2	2,53,339	6
(v)				
(vi)				
11. Total			206,92,230	7
12. Opening balance			167	12
13. Grand total			206,92,398	3

Disbursements—cont.	Rs.	A.	Rs.	A.
Brought forward ..				
8. Lorry account—				
(i) Petrol or charcoal charges				
(ii) Purchase of materials				
(iii) Taxes and fees				
(iv) Repairs				
(v) Establishment charges				
(vi) Wages for coolies				
(vii) Depreciation				
(viii) Other items				
9. Adjusting heads (give details)—(Advt.) S.K.A.C.W.S.	1,608	1	~~1,608~~	
Due to society	55,36,674	8		
Due by society	4,12,520	2	59,84,787	15
10. Investments made—Goods transfer Ac.	33,985	4		
(i) Furniture bought	4,623	4		
(ii) General station Ac in C.B.K ..	54,081	15		
(iii) Food .. Office	2,500	6		
(iv) Manjhupar Depot, Jaljalami Bank	2,593	14		
(v) Shares in Central Bank	98,750			
(vi) " Fire Insurance Society	100			
~~(Goods Transfer Ac~~	~~33,985~~	~~4~~		
R.F invested.	63	13	3,62,713	4
11. Total			206,58,476	1
12. Closing balance			33,922	2
13. Grand total			206,92398	3

STATEMENT

Balance Sheet

Liabilities.	At the end of the year. Rs.	A.	At the beginning of the year Rs.	A.
1. Loans and deposits—				
(a) Members—				
(i) Fixed deposits — Short term				
(i) Fixed deposits — Long term				
(ii) Trade deposits				
(iii) Provident deposits for staff				
(iv) Security deposits from staff				
(v) Others				
(b) Non-members—				
(i) Fixed deposits — Short term				
(i) Fixed deposits — Long term				
(ii) Provident fund for staff				
(iii) Security deposits from staff	8 250			
(iv) Others				
(c) Central Bank — Cash credits	20 82 419	5	38 760	
(c) Central Bank — Short term & Long term				
(d) Central Stores				
(e) Others — Short term				
(e) Others — Long term				
2. Share capital	1,22,650	-	19,250	
3. Interest due	20 037	11	90	5
4. Processing and manufacturing account expenses pending payment.	4			
5. Establishment and contingent charges due	15,232	5	4+	3
6. Other items— Bills pending payment				
(i) Sales Tax due — including deposits	26,278	12	20	
(ii) Contribution for audit fee Bank charges pending	27,775	1		
(iii) Supervision				
(iv) Adjusting heads (specify)—				
(a) For details please see page 13.	303,722	7	21,996	
(b)				
(c)				
(d)				
(e)				
(f)				
Undisbursed profits of previous years—				
(i) Honorarium				
(ii) Dividend	132	7		
(iii) Common good fund				
(iv) Bonus or rebate on purchases by members				
(v) Price Fluctuation Fund or business losses reserve				
(vi) Dividend equalization fund				
(vii) Building fund				
(viii) Bad debt reserve				
(ix) Special reserve for unreconciled Bank & Interest	7,721	10		
(x) Undisbursed profits				
Reserve fund—				
Separately invested	63	13		
Yet to be invested	56	2		
Total Liabilities	26,08,333	9	80,57	
Net difference between assets and Liabilities	90,989	14	25	

No. II.

on 30th June 1954.

Assets.	At the end of the year. Rs.	A.	At the beginning of the year. Rs.	A.
1. Cash—				
(1) On hand	33,922	2	167	12
(2) In Bank				
(i) C/a in C.B. General Section	9,991	12	4,636	14
(ii) " Food Office	5	3		
(iii) Jayalakshmi Bank Manjeshwar	498	14		
(iv)				
(v)				
2. Other investments—				
(i) Reserve fund—				
(a) In the Co-operative Central Bank	63	13		
(b) In the debentures of the Central Land Mortgage Bank.				
(c) In Defence Bonds or National Savings Certificates				
(ii) Shares taken in the Co-operative Central Bank	100,000	0	1,250	
(iii) Shares taken in the Central Stores				
(iv) Shares in other Co-operative institutions Fire Insurance	100			
(v) Fixed deposits				
3. Credit sales—				
(a) Due by members				
(b) Due by directors				
4. Processing or manufacturing account				
Amount for which extensions were granted beyond the year—				
Short term — Considered good				
Short term — Doubtful				
Long term — Considered good				
Long term — Doubtful				
5. Interest accrued on credit sales				
Do. investments on C/A/c	46	9	77	3
6. Other items— E.F. Term.	70	12		
(i) Value of furniture and equipments *less* depreciation	5,146	2	596	
(ii) Value of stores buildings				
(iii) Value of godowns or warehouses or depots purchased.				
(iv) Library				
(v) Value of machinery held less depreciation				
(vi) Value of lorries owned less depreciation				
7. Value of stock on hand — Own goods Machinery Gunnies	19,92,323	4	29,362	1
7. Value of stock on hand — Consignment goods				
8. Adjusting heads (specify)—				
(i) For details please see page 13	6,46,981	6	51,740	14
(ii) S.K.A.P. & S.	173	10		
(iii)				
(iv)				
(v)				
(vi)				
(vii)				
(viii)				
(ix)				
(x)				
9. Total Assets	26,99,323	7	80,830	12

STATEMENT

Profit and Loss Account

Loss.	Rs.	A.	Rs.	
1. Interest paid and due—				
(*a*) Paid	9053	9		
Add—				
(*b*) Interest pending payment	20,037	11		
Total ..	29,091	4		
(*c*) *Deduct*—Interest pending payment at the end of the previous year.	29000	5	29000	5
(*d*) Net amount	1C5 692	9	1C3 0 2	9
2. Establishment and contingent charges paid and due				
3. Assets written off as bad debts Depreciation ..	5		5	
4. Miscellaneous items .. .. { Depreciation .. .. / Other items				
5. Provision for doubtful assets Due Difference in Round figures	7,721	10	7,72	10
6. Last year's loss				
Total ..			1,42,465	8
7. Net profit ~~(*a*) or loss (–)~~			90,989	14

or the year 30th June ending 1944

Profit:	Rs.	A.	Rs.	A.
Interest earned on credit sales and investments—				
1. (*a*) Realized—				
Add—				
(*b*) Interest accrued, but not overdue				
Total ..				
Deduct—				
(*c*) Interest accrued at the end of the previous year ..				
Net ..				
2. Gross profits as per trading account	2,23,190	14	2,23,190	14
3. Miscellaneous income—				
(i) Amount realized	10,224	6		
Add—				
(ii) Amount pending recovery	117	5		
Total ..	10 341	11		
Deduct—				
(iii) Amount pending realization at the end of the previous year.	77	3		
Net amount ..	10,264	8	10,264	8
Total ..			2,33,455	6

	Rs.	A.
NOTES.—(1) Net profit as per Statement No. II	90,991	14
(2) * *Deduct* profit included in the balance sheet but not available for distribution.		
or		
† *Add* profits of previous years now made available for distribution		
Net amount or total available for distribution as per profit and loss statement above ..	90,991	

* There will be an entry against this when the overdue interest of the year is greater than that of the previous year.

† There will be an entry against this when the overdue interest of the year is less than that of the previous year or when it is nil. When the overdue interest of the year is equal to that of the previous year, the amount to be deducted or added will be nil.

STATEMENT No. IV.

Statement of Overdue Assets and Liabilities.

Demand, Collection and Balance.

Major head.	Item.	Amount.	
		Rs.	A.
I. Audit fees contribution.	1. Amount recoverable on account of the year with arrears of previous years.	1,03,706	
	2. Amount paid	1,03,706	
	3. Balance		
II. Supervision Fund.	1. Amount recoverable on account of the year with arrears of previous years.		
	2. Amount paid		
	3. Balance		
		Short term.		Long term.	
		Rs.	A.	Rs.	A.
III. Loans and deposits due by the stores.	1. Amount payable on account of the current year with arrears of previous years.	63,22,761	12		
	2. Amount for which extension was granted lasting beyond the year.	—			
	3. Repaid during the year out of the amount in column (1) ..	63,22,761	12		
	4. Paid in advance, if any	—			
	5. Total [columns (2) *plus* (3)]	63,22,761	12		
	6. Balance [columns (1)—(5)]	—			
		Rs.	A.		
IV. Interest due by the stores.	1. Accrued and falling due during the year with the arrears of previous years.	9053	9		
	2. Amount paid during the year	9,053	9		
	3. Balance	—			
V. Amounts due to the stores from members and by way of credit sales.	1. Amount that fell due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				
VI. Interest due to the society from members and stores.	1. Amount accrued and falling due during the year with the arrears of previous years.				
	2. Amount recovered during the year				
	3. Balance [columns (1)—(2)]				

ANNEXURE I TO STATEMENT No. I (RECEIPTS).

Miscellaneous receipts—

Items. (1)	Amount actually received during the year. (2)		Amount accrued this year and pending realization. (3)		Total columns (2) + (3). (4)		*Deduct* amount which has already been taken to profit account of the previous year. (5)		Balance to be taken to profit account. (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(a) Entrance fees for shares	544	12	22	12	567	8	1		566	8
(b) Transfer fees for shares										
(c) Dividend on share capital—										
(i) Central Bank										
(ii) Co-operative Printing Works										
(iii) Co-operative Central Stores										
(iv)										
(d) Interest on Reserve Fund invested ..	0	11	—		0	11	—		0	11
(e) Interest on other investments C/A ..	47	12	46	9	94	5	Ⓟ 76	3	18	2
(f) Sales tax collected	1279	13	—		1279	13	—		1279	13
(g) Sale-proceeds of books and forms	31	3	—		31	3	—		31	3
(h) Other items (specify)—										
(1) Interest on other Investments	84	8	—		84	8	—		84	8
(2) Commission	27	10	48		75	10	—		75	10
(3) Sale of Forms	163	12	—		163	12	—		163	12
(4) Training classes	48		—		48		—		48	
(5) Miscellaneous	515	13	—		515	13	—		515	13
(6) Excess returned	23	12	—		23	12	—		23	12
(7) Cooly received	850	7	—		850	7			850	7
(8) Rebate etc.	773	10	—		773	10	—		773	10
(9) Insurance received ..	386	13	—		386	13	—		386	13
(10) Wages	1571	13	—		1571	13	—		1571	13
(11) Contingent received	52	12	—		52	12	—		52	12
(12) Trade charges received	3821	5	—		3821	5	—		3821	5
..	10224	6	117	5	10341	11	77	3	10264	8

Ⓟ Shown under interests in the previous audit report

NOTES.—(1) The difference between the higher rate of interest levied after due date and ordinary rate is not a fine and should not be shown here. Only specific items levied distinctly as such, e.g., fines for belated payments of recurring deposits should be so shown.

(2) In the case of interest on investments, the amount earned for the year (not merely the interest actually realized) should be worked out and included in the miscellaneous receipts and in the profit.

2.

ANNEXURE II TO STATEMENT No. I (DISBURSEMENTS).

Establishment and Contingent Charges—Details.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss acc	
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(1) Establishment charges	12 432	7	285	1	12717	8	1[illegible]	[illegible]	12 [illegible]	[illegible]
(2) Contingencies—										
(a) Account books	307	6			307	12	-		3 07	[illegible]
(b) Postage	1 069	6			1 069	6			1 069	6
(c) Stationary	949	6			949	6			949	6
(d) Remittance charges	196				196				1,216	-
(e) Affiliation fees	2	4			2	4			2	4
(f) Delegation fees										
(g) Lighting	80	12	2	8	93				93	4
(h) Cleaning	2	13	-		15	12			15	3
(i) Coolie										
(j) Repairs	69	15	-		69	15			69	15
(k) Rent	6,664	15	1913	5	8578	4	53		8524	4
(l) Rates and taxes—other than sales-tax.	36	2	-		36	2	-		36	2
(m) Printing charges										
(n) Subscription to bulletins										
(o) Godown rent										
(p) Insurance charges (fire and war risks).										
(q) I A ..	1719	5	91	4	1810	1	59		1751	1
(r) Fixed pay ..	57	12			57	12	-		57	12
(s) Hear my Expense ..	110	7	-		110	7			110	7
(t) Peon Salary & P Contribution	146	15	23	11	170	9	28	13	142	12
(u) Cycle Hire ..	72	11			72	11			72	11
(v) L.F. returned ..	11		12	8	23	8			23	8
(w) Training charges ..	26	11			26	11			26	11
(x) Miscellaneous ..	533	2			533	2			533	2
(y) Pers Parcel paid ..	31	15			31	15			31	15
(z) Cont. charges ..	1965	1			1965	1			1965	1
(A) Telegram charges	201	5			201	5			201	5
(B) Legal Expenses	50				50				50	
(C) Demurrage	659	7			659	7			659	7
(D) Sales Tax	50,633	4	12,898	9	63,531	13	96	10	63435	3
(E) Insurance charges	8359	5			8359	5			8359	5
1 ..	90,901	7	15232	5	106133	12	441	3	105692	9

ANNEXURE III TO STATEMENT No. I (DISBURSEMENTS).

ESTABLISHMENT AND CONTINGENT CHARGES—DETAILS.

Particulars.	Paid.		Due at the end of the year.		Total.		Due at the beginning of the year.		Loss account.	
Particulars.	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
(1) Gingelly oil production—										
(a) Coolie for drying and cleaning ..										
(b) Cost of jaggery purchased ..										
(c) Milling charges										
(d) Packing of tins or casks and other charges.										
(e) Cartage to and from mill										
(f) Other items (handling)										
(2) Dhall production—										
(a) Coolie for washing, drying and cleaning.										
(b) Cost of red mud										
(c) Grinding charges										
(d) Cartage to and fro										
(e) Other items, if any (handling) ..										
(3) Conversion of paddy into rice—										
(a) Hulling charges										
(b) Storage charges										
(c) Cartage to and fro										
(d) Other charges (handling)										
(4) Any others (hats, etc.)										
					Trade charges.					
Lorry hire Railway Freight etc	30,5,165	15	5613	15	310779	14	—		310779	14
Packing Materials	42	1			42	1	—		42	1
Wages	26,622	2	-		26,622	2	—		26,622	2
Procurement Commission.	5283	15	22161	2	27,445	1	—		27,445	1
Boat & cart hire.	1291	9	—		1291	9	—		1291	9
	338,405	10	27775	1	366180	11	—		366180	11

Details of Establishment—(To be shown Separately for General Section and Procurement Section.)

Name of incumbent.	Designation.	Scale of pay.	Actual pay.	Allowance.	Travelling Allowance fixed, if any.	Extent of Security offered.	Qualification.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Auditor.

List showing godowns owned or rented by the Stores as on 195 .

Serial number.	Name of the Depot that engaged godowns.	Number of godowns owned or engaged with place of location.	Rent per mensem.	Capacity of storage in terms of bags.	Whether the godown is sufficiently safe.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)

Auditor.

List of stock held by the Stores for more than six months as on 195 .

Serial number	Particulars of items.	Date or dates of purchases.	Quantity in Stock.	Average purchase price.	Actual value of stock on	Probable loss involved, if any.	Remarks.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

Auditor.

ANNEXURE TO STATEMENT No. III (PROFIT).

TRADING ACCOUNT FOR THE YEAR ENDED 30th June 1950.

Particulars.	Rs.	A.	Particulars.	Rs.	A.
1) Value of stock on hand at the beginning of the year.	22362	1	(1) Sale proceeds less sales returns ..		
2) Value of goods bought during the year less purchase returns.	7461227	13	(2) Value of goods on hand at year. Sales 62,78,645-2 Returns 1,08,006-15 = 6170,638-3	6170,638	3
3) Trade charges— (i) Lorry account paid and due .. (ii) Processing or Manufacturing account Expenses paid and due. (iii) Sales tax paid and due	36,6180	11	Value of closing stock including Gunnies	19,02,293	4
Purchase — 74,41,545-9-0 Less returns 6570-4-0 = 74,34,975-5-0; Add Sales tax payable 26,272-12-0 = 7461,248-1-0; - Less Last year 20-4-0 = 7461227-13-0					
Trade charges = 33805-10-0 + Lorry 2775 1-0 = 36180-11-0	78,49,770	9	Total ..	8072961	7
(+) Gross profit ..	223190	14	(—) Gross loss ..		

APPENDIX No. (1)

A. Details of doubtful debts.

Member number. (1)	Details of amount outstanding. (2) Rs.	A.	Doubtful debts probable loss. (3) Rs.	A.	Reasons for considering the amount as doubtful. (4)
			Nil		

B. Details of assets written off.

Particulars of assets written off. (1) Rs.	A.	Amount written off. (2) Rs.	A.	Reasons for writing off. (3)
		Nil		

APPENDIX No. (2).

ADJUSTING HEAD.

(a) *Due to Society*—

Particulars. (1)	Pending at the beginning of the year (assets). (2)		Issued during the year. (3)		Total of columns (2) and (3). (4)		Received during the year. (5)		Outstanding at the end of the year (assets). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1. Advances due—										
(a) From members Salary	12,267	-	400432	13	412699	13	308209	5	104490	8
(b) From merchants or suppliers. Advance for purchase of Paddy	21,997	14	165329	5	187326	3	158717	7	28609	12
(c) From others Sinking Fund of Pullan Debt			1429	1	1429	1	329	8	1099	9
(1) Value of articles under Suspension (on hand)	17,902				17902		17902			
(2) Debts due from Salaried Officers	-		23,277	5	23277	5	7797	1	15479	4
(3) Food Stuffs			132359	3	132359	3	48956	1	83402	8
2.										
3.										
4. Total.	51740	14	5536674	8	5588415	6	4941434	-	646981	6

(b) *Due by Society*—

Particulars. (1)	Pending at the beginning of the year (liabilities). (2)		Received during the year. (3)		Total of columns (2) and (3). (4)		Paid during the year. (5)		Pending at the end of the year (liabilities). (6)	
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.	A.
1, Advances due to—										
(a) Members Salary Arrears	808		33049	4	33857	4	32456	4	1401	
(b) Merchants or suppliers Advance for Paddy	3580	8	17737	14	21318	6	20739	6	579	
(c) Others (specify)	518		23352	2	23870	2	23192	2	678	
Value of Suspension articles	17902				17902		17902			
(1) Debts due to Salaried Officers			29157	3	29157	3	25833	4	3324	4
(2)										
(3) Food Stuffs			547825	2	547825	2	276686	9	271139	9
2.										
3.										
4.	21996		694246	9	716242	9	418580	2	303722	7

Other items—

	Rs.	A.
) Value of furniture at the beginning of year	596	0
Do. bought during the year	4623	0
Total	5219	4
Deduct depreciation at 10 per cent	521	22
Value at the end of the year	5146	2 0

(2) Is a register of furniture maintained? Take stock and certify

Certified that I have checked the articles of furniture and I found them to agree with the list of furniture maintained by the society. No Register maintained

(Sd) H. Ramamurthy
Auditor.

	Rs.
(3) Value of society's buildings at the beginning of the year	
Do. bought during the year	
Total	
Deduct depreciation at per cent	
Value at the end of the year	
(4) Value of Library books at the beginning of the year	
Do. bought during the year	
Total	
Deduct depreciation at per cent	
Value at the end of the year	
(5) Adjusting heads written off	

(Give particulars.)

(d) *Immovable properties purchased by the society—*

(1) Has the society taken possession of properties purchased by seizure or by delivery of possession through a Civil Court? Has the value of properties so seized or taken possession of been excluded in loans by adjustment to their value? Is a register of immovable properties purchased maintained? Give particulars below :—

	Landed property.				House numbers.	Purchase value.	
	Wet.		Dry.			Rs.	A.
	Acs.	C.	Acs.	C.			
(i) Value of properties held at the beginning of the year.							
(ii) Value of properties purchased during the year.							
(iii) Value of properties sold during the year.							
(iv) Value of properties held at the end of the year.							

	Rs.	A.
(2) Expenses incurred on their maintenance including kist paid to Government		
(3) Income realized		

(4) Attach a certificate from the directors in the following form :—

Certified that the properties the value of which is mentioned above are actually in possession and enjoyment of the society and that the income realized therefrom has been duly brought to account.

President. *Secretary.* *Other Directors.*

	Lorries.								Total.	
(e) *Lorries*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.
(i) Value at the beginning of the year ..										
(ii) Materials purchased during the year ..										
(iii) Total						Nil				
(iv) *Deduct* depreciation at ¹ per cent ..										
(v) Value at the end of the year										

	Different varieties.									
(f) *Carts and Other vehicles*—	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs	A.
(i) Value at the beginning of the year										
(ii) Bought during the year										
(iii) Total						Nil				
(iv) *Deduct* depreciation at per cent										
(v) Value at the end of the year										

(g) Details of stock of empties including gunnies on 195

(1)	Number. (2)	Value. (3)
		Rs.
1. Total opening stock on		
2. Purchases made in the year or got in the course of trade ..		
3. Received by transfer from one depot to another		
Total ..		
4. Transfer to other depots		
5. Sales in the year or release to retailers or customers on hire in the course of trade ..		
Total ..		
6. Stock on ..		

Notes.—(1) Figures in columns (2) and (4) should agree.

(2) Total closing value less depreciation should go to the balance sheet.

(3) Separate statements should be furnished for the different varieties of articles.

Certified that the accounts maintained by the stores have duly been checked and found correct.

Auditor

General.

I. (1) What is the maximum borrowing power of the stores with reference to its paid-up share capital and reserve fund ? Compare it with actual borrowings.

8 times the Paid up S & R F. But the Registrar fixed the same at Rs 25 crores.

(2) Was it exceeded at any time ? How long ? By how much ?

No.

(3) What is the total working capital of the stores ?

Rs 22,07,439-4-0

(4) Were all the due instalments of loans from the Central Bank or/and wholesale stores repaid with interest ? If not, give particulars, omit cases where extensions have been sanctioned.

Yes.

5) What is the total cash credit given by the Central Bank and what is the total credit accommodation given by the Central Stores ? Was the limit exceeded at any time ? If so, by how much and for what period ?

Rs 25,00,000/=

(6) Was the cash balance verified ? What is the cash balance and does it agree with the entry in the cash-book ?

Yes. Rs 26-5-0 in Food Office

(7) Who is in charge of the cash balance ? And who is responsible for it under the by-laws of the stores ?

Executive officer in Food Office

Secretary

(8) Is the cash book closed on each day on which there are transactions ? And is the balance written in figures and words and then signed by the Secretary and Treasurer/President ?

Yes But signed by the ~~President~~ Secretary

(9) (*a*) Has the stores taken adequate security from the employees who permanently or occassionally handle cash ?

Not in all cases.

(*b*) Have the form and standard of security to be obtained from paid employees under Rule XXVII-B been prescribed for the society ?

(*c*) Have securities been furnished by the paid employees in the form and in accordance with the standard prescribed in the Registrar's proceedings ? Please append a statement in the following form :—

Serial number (1)	Name of employee. (2)	Post held. (3)	Security fixed. (4)	Number and date resolution. (5)	Nature and value of security offered. (6)	Remarks. (7)

(*d*) Have the directors tested, the personal and mortgage securities offered by the employees at the end of the year and satisfied themselves about the adequacy of the security ? Have they given a certificate to this effect ? If so, append a copy of it to the audit report.

(*e*) What are the steps taken by the Board of Directors to obtain fresh or additional securities from employees where they have considered that the existing security is not adequate ?

(*f*) Are there cases of violation of Rule XXVII-B ? If so, specify the instances with full particulars.

NOTES.—(i) The verification of the cash balance should be the auditor's first duty on arrival at the stores. He should invariably indicate the result of his verification in the report. A certificate in the following form should be furnished :—

"I hereby certify that I checked the cash balance of Rs. 26-5-0 in words (Rupees twenty six annas five only) on 4-3-45 and found it to agree with the cash-book."

(sd) H Ramanuja Iyengar
15

(ii) If the cash balance is not immediately forthcoming, the auditor should make a note to this effect and record any reason for the delay. He should also state where and how it is kept.

II. The rates of interest given by the stores are as follows :—

(*a*) On deposits from individuals.
1. Fixed deposits. — 4%
2. Trade deposits.
3. Provident fund deposits.
4. Security deposits from staff.
5. Others.

(*b*) On loans from Central Bank. — 4%

(*c*) On cash credit from Central Bank. — 4%

(*d*) On borrowing from the Central Stores.

III. (1) (*a*) Has the stores maintained all the books and registers prescribed by the Registrar ? State the names of the books or registers not maintained.

(*b*) State the number of branches or depots working on the last day of the year ? How are the branch accounts incorporated in the main accounts of the head office ? Is it daily or monthly ?

(2) Does the stores issue 'sales chit' or 'cash memo' for all the sales ?

(3) Did you check the sales chit completely or only test-check them ? If you have done only a test-check note the dates of sales chits checked, the number of chits involved on each of those days and the result of the test-check as under :

Dates of sales bills checked	Total number of sales bills involved in each day.	Result of the test-check.
1	2	3

(4) Is there an 'internal chek' of the accounts both in the head office and in the branches? What is the arrangement made therefor? Is it satisfactorily working?

(5) Are all the account books written up properly and up-to-date? Is the distribution of work regarding maintenance of accounts conducive to prompt and efficient maintenance of accounts?

(6) Are there any sub-committees such as 'Prices sub-committee,' 'Purchases sub-committee,' etc. If so, are they functioning properly? Are they formed in accordance with the by-laws? What is the strength of each sub-committee?

(7) Has the stores introduced the compartmental system for stocking goods? If so, is it working satisfactorily?

(8) Does the godown clerk maintain a separate register for goods received and issued? Is the stock according to this register tallied periodically with the balances as found in the Purchases, Issue and Stock Register maintained in the head office?

(9) Who are the officers or officer in charge of stock? Who is responsible for the custody of the stock as per by-laws?

(10) Has there been a periodical verification of stock both in the head office and in the branches? State the period for which and the officers by whom verification of stock was done.

What are the results of verification on each occasion?

(11) Are the invoices serially numbered? Are the numbers of the invoices noted in the Purchases, Issue and Stock Register?

(12) Have all the invoices been properly entered in the accounts?

(The auditor should furnish a certificate to this effect in the following form):—

"I certify that I have satisfied myself that all the invoices received have been properly entered in the accounts including the Purchases, Issue and Stock Register."

Auditor.

(13) In the case of credit purchases are the amounts due according to the stores accounts tallied with the statement of accounts furnished by the suppliers? (This should be done at least once a quarter by the stores.) The auditor should verify the statement furnished by the suppliers and point out discrepancies, if any, between two accounts.

(14) Give details of the establishment of the stores. (See a separate statement annexed.) Is it adequate? Has the stores taken security deposits from the staff? Are they adequate? Are the expenditures incurred on the staff reasonable or lavish?

(15) Is the stores making its purchases from the district central or wholesale stores or elsewhere? If from both, what is the proportion of purchases from the Central Stores to the total purchases?

(16) Has the stores worked out its own standard of depreciation to be allowed for dryage, wastage, etc., in respect of different articles and is the rate of depreciation adopted reasonable? Does it conform to the standard arrived at?

(17) (*a*) When was the directorate elected last? Give their names.

(*b*) Do they meet at frequent intervals as required in By-law No. 21?

(*c*) Has any member of the Board absented himself from four consecutive meetings and if so, was he reinstated?

(*d*) Are any of the directors disqualified to hold office under Rule XXVII.

APPENDIX No. 4.

Payments out of previous years' profits.

Particulars.	Amount at the beginning of the year.		Amount credited during the year.		Total.		Amount spent.		Balance.
	RS.	A.	RS.	A.	RS.	A.	RS.	A.	RS.
(a) Reserve fund	—		119	15	119	15	—		119
(b) Honorarium									
(c) Dividend at 3¼ per cent			132	7	132	7	—		132
(d) Common good fund									
(e) Bonus or rebate on purchases by members ..									
(f) Price fluctuation fund or business losses reserve..									
(g) Dividend equalization fund									
(h) Building fund									
(i) Bad debts reserve									
(j) Undisbursed profits									
Total	—		252	6	252	6	—		

CERTIFICATE TO BE FURNISHED BY THE AUDITOR

I, H Ramachandra the auditor, duly authorised to audit the accounts of the Co-operative stores society hereby certify that I have audited the accounts of the stores society on dates 15-2-45 to 12-5-45 and further certify subject to the special notes appended hereunder.

(a) that the outstanding share capital shown in the balance sheet agrees with the total of the share capital against each member in the admission or share register of the stores;

(b) that the outstanding deposits and borrowings shown in the balance sheet tallies with the deposits and borrowings shown in the ledger; Except cash credit account No. 772 - 12-0 bound in the Treasurer's [illegible]

(c) that the outstanding amount in respect of credit sales (in the case of stores societies which are permitted to sell on credit under the by-laws) shown in the balance sheet tallies with the total of such sales shown against the members;

(d) that the outstandings due under 'credit purchases' shown in the balance sheet tally with the total of credit purchases shown against the suppliers;

(e) that the amounts due to or by the stores in respect of consignment of goods sent or received by the stores tally with the total of the amounts shown against the respective consignment accounts;

(f) that the outstandings under other personal accounts, if any, and shown in the balance sheet tally with the total of the sums shown against the persons in the ledgers;

(g) that the value of the stock as per the stock verification statement agrees with that shown in the balance sheet and that individual items in the stock lists were checked with reference to the balances shown in the stock book;

(h) that the Board of Management of the stores have appended a certificate of soundness or otherwise about the credit sales and that in my opinion the estimate of the Board of Management is fairly correct. I consider that a bad debt reserve of Rs. may be created in the year;

(i) that I checked the vouchers for establishment and contingent charges and found them correct and authorised and within the budget allotment; Subject to latest audit of Administration of party.

(j) that I have examined the investments made by the society with reference to the documents and vouchers supporting the same and also checked them by obtaining information from the banks in which the investments are held and I have found that the amount shown as outstanding at the end of the year actually stand to the credit of the society;

(k) that I have examined the details for all items under adjusting heads and that they tally with the ledger balances;

(l) that the 'internal check' employed by the stores is efficient and that I test-checked with following results;

(m) that the quarterly stock-taking as laid down in the by-laws was done for all the four quarters of the year and that suitable action was taken in respect of the deficits noticed;

(n) that I checked on the actual stock in respect of the following articles and found it to agree with the book balances.

NOTE.—Discrepancies if any, in each article, should be clearly stated.

NOTE.—(1) The auditor should total up the outstanding share amount against each member with reference to admission or share register and satisfy himself that the amount of share capital shown in the balance sheet agrees with the total so made up.

(2) The auditor should total up the outstanding deposits and borrowings at the end of the year against each class of deposits or borrowings and satisfy himself that the figures shown in the balance sheet tally with the total amount made up from the ledgers.

(3) The auditor should total up the outstanding amount against each personal account and satisfy himself that the total of the personal accounts (under credit sales, credit purchases and consignment of goods) agrees with the respective figures shown in the balance sheet.

(4) The auditor should verify with reference to the vouchers for establishment and contingent charges and certify that they are correct and authorized.

(5) The auditor should verify that all investments made by the society are supported by vouchers or documents and that they are outstanding.

PLACE, [illegible]
Dated 15-5-1945

H Ramachandra
Auditor
A.I.G.C.S.

AUDIT CERTIFICATE.

Audit certificate by Sri [illegible], Deputy Registrar of Co-operative Societies, on the accounts of [illegible] Stores, Limited, for the year ended [illegible] 1944.

The accounts of the [illegible] Stores, Limited, in the [illegible] taluk of [illegible] district, for the year ended [illegible] 19[illegible] was audited by Sri [illegible] H Ramachandra Rao and passed. The statements of (1) Receipts and Charges, (2) Assets and Liabilities, (3) Profit and Loss and Trading Account, as furnished by him are appended.

2. The year of audit is the the year of the society's working.

3. *Members and share capital.*—The number of members ~~rose~~ fell from [illegible] at the beginning of the year to 352 at the end of the year.

The share capital of the members amounted to Rs. [illegible] at the beginning of the year.

4. *Deposits and borrowings.*—The outstandings under this head were Rs. [illegible] at the end of the year.

5. *Trading account.*—The value of stock at the beginning of the year was Rs. [illegible] to which was added the value of the goods bought during the year, less purchase returns, etc. The total sales (excluding sales returns, etc., amounted to Rs. [illegible] The value of stock at the end of the year was Rs. 17033-4-0 The trading income resulted in a gross profit of Rs. 2239-0-6

6. *Net profits.*—The stores earned/sustained a profit/loss of Rs. [illegible] for the year. According to by-law No. [illegible] the amount of the net profit, viz., Rs. 3639-14-0 should be credited to the Reserve Fund. The balance is available for distribution according to the by-laws.

7. *Reserve Fund.*—The Reserve Fund of the stores amounted to Rs. [illegible] at the beginning of the year. With the addition of Rs. 3639-14-0 referred to in the above paragraph, the total of the Reserve Fund will be Rs. [illegible] The stores has utilised Rs. ——— of its Reserve Fund [illegible] purposes. [illegible]

8. *Business Reserve.*—The amount to the credit of the Business Reserve created by the stores was Rs. [illegible] at the end of the year.

(Sd) K [illegible]
Deputy Inspector. I & S

(2nd Copy).

Ramappa,
Veerabhadrappa
J. Ramulu,
Doraiappa,
Bhadagini Rao
T. Lingaiah
P. Govindappa
A. Rao.
B. T. Kantha,
P. S. Rabbi,
N. Ravindra.

Deputy Registrar. 2/11/50

ARTICLE 2

A comparative statement showing the margin of allowances sanctioned by the Govt. that asked for by the Stores as supported and recommended by the Collector and that recommended by the Board of Revenue (CS)

Item	Margin sanctioned by the Govt. (per mound of rice)	Margin asked for by Stores & supported by Collr. S. Kanara per mound of rice	Margin as recommended by the Bd. of Rev (CS) per mound of rice
	(2)	(3)	(4)
	Rs As. Ps.	Rs. As Ps	Rs As Ps
1. Sales tax payable on Rs 15-0-0 at 3 pies per rupee		0-3-9	0-3-9
2. Cost of investment at 4½% interest on Rs 14/ for 3 months		0-2-6	0-2-
3. Establishment and rent		0-2-3	0-2-
4. Cost of audit and S.V.O's audit	0-9-3	0-0-5	0-0-
5. Cost of deficit		0-0-8	—
6. Overhead charges (T.A. Insurance Stationery Postage etc.		0-0-6	0-0-
7. Net margin to Stores		0-0-11	0-0-
8. Total	0-9-3 A	0-11-0	0-10-1 or 0-10- (rou

A Details are not given with the schedule at p.15 (6) which were worked out by Govt (ERI)

ge 23/9/50

FOOD & AGRICULTURE DEPARTMENT (A).

G 2533 A/50

Sub: PROCUREMENT - Paddy and rice - South Kanara district - Procurement agency - Increase in the margin of allowances - Request of the S.K.C.C.W. Stores.

Ref: (1) From the Board of Revenue (Civil Supplies), Reference No.90470-U5/50 (CS) dated 21-9-1950.
(2) From the Board, D.O. No.90470 U5/50-5 CS, dated 22-9-50.

pp 1-2 c/f
pp 13-14 c/f

The Board's references at pp.1-2 C.F. and pp.13-14 C.F. may be perused.

The total margin of allowances (difference between procurement price and wholesale price) now given to the wholesalers in South Kanara district, is Re.0-9-3 per Mura of rice and Re.0-4-3 and Re.0-4-0 per Mura of paddy I and II sorts respectively. The S.K.C.C.W. Stores, who are now the sole agents for procurement and distribution in that district, represented in their letter dated 22-6-50 that the margin mentioned above was inadequate and that consequently they incurred heavy loss and they gave notice that they had intended giving up procurement agency at the end of the current kharif year unless the margin is enhanced to Re.0-11-0 per Mura of rice. The Collector of South Kanara reported that there are none in the district to take up the work of procuring agency or even a portion of it and has recommended that a margin of Re.0-11-0 per Mura of rice may be allowed. The Board has recommended in its reference on pp.1-2 C.F. that as against Re.0-11-0 asked for by the S.K.C.C.W. Stores, a margin of Re.0-10-3 per Mura of rice may be allowed as explained at 'A' on pp.1-2 C.F.

A statement showing the margin now sanctioned by the Government, that asked for by the S.K.C.C.W. Stores as supported by the Collector and the margin recommended by the Board is put up at (H) Subsequently in the D.O. at pp.13-14 C.F. the Board has reported that the S.K.C.C.W. Stores, have completely stopped procurement and are not prepared to take it up until the Govt. pass orders and communicate the same. The Board is of the view that even the margin of Re.0-10-3 recommended by it is allowed, it is doubtful if the stores would take up procurement. In view of the fact that the present position in the district is critical, and as the Collector is unable to make alternative arrangement for procurement

the stocks actually available in the district, the Board suggests hat the procurement work would be taken up immediately on Governent agency, that an amount of Rs.20 lakhs may be diverted for this irpose from the P.& D. Accounts of the C.C.S. and an account under 5 A may be ordered to be opened in the name of the Collector of outh Kanara. The village officers will function as procuring gents on behalf of the Govt. and may be allowed to retain the Govt oneys for payment to producers against deliveries of foodgrains. The oard requests that urgent orders of the Govt. may be obtained and ommunicated to it.

2. The question now for consideration is ~~whether~~

(i) whether the Board's recommendation for taking over the procurement gency by the Govt. will be accepted; or,

(ii) whether the margin will be enhanced from Re.0-9-3 to e.0-11-0 per Mura of rice as asked for by the S.K.C.C.W. Stores,

Point (i) above:

This suggestion involves the diversion of Rs.20 lakhs fro he P.D. accounts of the C.C.S. This step seems to be inadvisab or the reason that there is no guarantee that after sometime, the .C.S. will not come up to Govt. again for additional amounts, ~~but~~ he present ways and means position of the Govt. is not satisfactory nd it may not be possible to bear this additional burden. It is o doubt true that the Govt. of India have been insisting all the hile that with a view to step up procurement, it is necessary that he Govt. themselves should finance procurement operations. The uestion of trying this experiment one in a surplus dt. (Tanjore) nd another in a deficit dt. (Tirunelveli) is separately under onsideration. ~~Before~~ Before the experiment is actually given effect to nd the results are known, it seems undesirable to think of extending t to other areas like S.Kanara.

Point (2) above: This suggestion will no doubt amount to coercing the Govt. to accept ing the demand of the Stores. The attitude of the Stores is no doubt highly reprehensible, inspite of the fact that the Govt. have been all this time spoon-feeding these co-operative stores by giving financial assistance and other ~~financial~~ facilities, now and then. But the Collector says that he has explored all possibili ties of securing alternative agencies in his district and failed.

He

He is also of the view that the transfer of agency to merchants at this time, will create new difficulties in the administration of the procurement scheme. In these circumstances, it seems safer to continue the present agency of the Stores for sometime by increasing the allowance to Re.0-11-0 per Mura of rice and thus complying with the request of the Stores in full. In the meantime, we may ask the R.C.S. to go through the accounts of the Stores for the past three years and examine whether the stores had really suffered a loss an account of low margin and whether the attitude of the Stores against the Govt. is in any way justified. We may also ask him to report on the desirability of changing the present management of the stores, in case the attitude of the stores is unreasonable It may be stated in this connection that the private wholesalers in Malabar dt. who have been thrown out of field consequent to the appointment of the P.C.C. Societies on a monopoly basis are now anxious to take up the work and have made representations to this Govt. in this regard. The Govt. considered that no change was necessary in that district and the request of the wholesalers was accordingly negatived. We may now ask the Collector of S.Kanara to make confidential enquiries whether some of these merchants are willing to take up the procurement and distribution work in South Kanara district if they agree, we may appoint them and terminate the procuring agency of the stores. We have powers to terminate the agency of the Stores at any period with reference to the amendment recently made in the Madras Foodgrains Intensive Procurement Order, 1950.

The points for orders are

(i) whether the Govt. will take up the procurement work in South Kanara district as recommended by the Board, or

(ii) whether the request of the stores to enhance the margin of allowances to Re.0-11-0 per Mura of rice will be complied with or the present and action taken as suggested at 'M' above.

Development and Finance may see for remarks before circulation.

23/9/50

23.9.50.

Item (ii) may be accepted though it means encumbering to Trusts the Stores could

Could have given their notice sufficiently long before the harvest so that Govt. could have had time to make alternate arrangements instead of forcing their hand at the last moment. But their notice which was given on 22nd June ½ 3 of has been delayed by the call & the Bd. ½ 9 of with the result that the Govt - get the Govt proposals after the harvest have already Commenced. We may issue a telegram to Collr. telling him that the Govt. have tentatively agreed to give enhanced the allowance to Rs 11-0 a maund of rice & Rs 5-6 a maund gradually the detailed consideration after question & that he may issue the Press to proceed with the procurement.

To put up a note to this effect in this dt., action may be taken as suggested at ¶ on p 3 above

24/8/50

Though the Cooperative Stores ~~Society~~ may be within its rights, their attitude towards this question of procurement shows that ~~even a cooperative institution with all its~~ their boast of self-less work for the good of the general public is all moonshine, and as its conduct is no better than that of the much maligned private merchant, who at least might adopt a more reasonable attitude out of deference for official authority. But facts have to be faced ~~apart forward~~

NOTE FOR CIRCULATION.

The total margin of allowances(difference between procurement price and wholesale price) now given to the wholesale in South Kanara District is Re.0-9-3 per Mura of rice and Re.0-4-3 and Re.0-4-0 per Mura of paddy I and II sorts respectively. The S.K.C.C.W.Stores, who are now the sole agents for procurement and distribution in that district, represented in their letter dated 22-6-50 that the margin mentioned above was inadequate and that consequently they incurred heavy loss and they gave notice that they had intended giving up procurement agency at the end of the current kharif year, unless the margin is enhanced to Re.0-11-0 per Mura of rice. The Collector of South Kanara reported that there are none in the district to take up the work of procuring agency or even a portion of it and has recommended that a margin of Re.0-11-0 per Mura of rice may be allowed. The Board has recommended in its reference on pp. 1-2 c.f. that, as against Re.0-11-0 asked for by the S.K.C.C.W. Stores, a margin of Re.0-10-3 per Mura of rice may be allowed as explained at A. on pp. 1-2 c.f.

Subsequently in the D.O. at pp. 13-14 c.f. the Board has reported that the S.K.C.C.W.Stores, have completely stopped procurement and are not prepared to take it up until the Govt. pass orders and communicate the same. The Board is of the view that even if the margin of Re.0-10-3 recommended by it, is allowed, it is doubtful if the stores would take up procurement In view of the fact that the present position in the district is critical, and as the Collector is unable to make alternative arrangement for procurement of the stocks actually available in the district, the Board has suggested that the procurement work should be taken up immediately on Government agency, that an amount of Rs.20 lakhs may be diverted for this purpose from the

P.D. Accounts of the C.C.S. and an account under 85-A. may be ordered to be opened in the name of the Collector of South Kanara The village officers will function as procuring agents on behalf of the Govt. and may be allowed to retain the Govt. moneys for payment to producers against deliveries of foodgrains.

The points that arise for consideration are ---

(1) whether the Board's recommendation for taking over the procurement agency by the Govt. may be accepted or,

(2) whether the margin of allowance will be enhanced from Re.0-9-3 to Re.0-10-3 per mura of rice as originally recommended by the Board or whether the full Re.0-11-0 per mura of rice asked for by the S.K.C.C.W.Stores will be allowed.

Item (1) above:- Under this proposal the actual procurement work will have to be done by village Officers and it would therefore mean entrustment of very large sum of money to village officers perhaps much more than the revenue of the village which they have to collect only in instalments. In view of the heavy financial commitment involved and in view of the present difficult ways & means position, it is not proposed to accept the Board's proposal. Finance Department have also accepted the view of this Dept.

Point(2) above:- It is proposed to accept the Board's suggestion to increase the margin of allowances from Re.0-9-3 to Re.0-10-3 per mura of rice, the increase being passed on to the consumer. The total margin now allowed for South Kanara has already exceeded the limit fixed by the Govt. of India for the rest of the Province and the concurrence of the Centre has been obtained for the purpose. To increase by 1 anna now proposed, it would mean a further increase in the incidentals, but cannot be avoided in the circumstances of the case. The Collector may be asked by a telegram in the first instance to offer this increase of Re.0-10-3 per mura of rice to the Stores. If the Stores are not satisfied with this, the question of increasing the margin to Re.0-11-0 which they have asked for will be considered. In the meantime, the question of finding a substitut for the Stores, which is bound to take some time, perhaps some

62533A/50.

R above | somemonths for the adoption of any other alternative which would eliminate such threats from the ~~scheme~~ more will be considered.

Kind attention is invited to Secy's noting/pp.4 below

The case may be circulated to H.C.M. for approval of the proposal at "R" (on pp 8-9) above. As H.M.(Food) is now on tour and will be returning to Head quarters on 28-9-50, it may be circulated to him after issue of orders. For orders.

26/9/50 26.9.50 26/9/50 S

R above may be approved

27/9/50

HCM

HM (Food) on

SECRETARY TO GOVERNMENT 21 SEP 1950 FOOD AND AGRICULTURE DEPARTMENT

27/9/50 c. 27.9.50 R.

Send an express telegram accordingly 27/9/50

27/9/50

To AS

A draft telegram is subd. below for approval. Final orders will be issued later.

27/9/50 27/9/50 27/9/50 S

27.9.50

Issued as telegram 62533A/50 dt 27.9.50

The telegram to the Collr. of S. Kanara has been issued. (Vide p 15 cf.). The case may now be circulated to H.M (Food) for ~~approval of the proposal at "R" on pp 8-9 above~~ perusal of the file from p. 7 onwards and the telegram on p. 15 cf

SECRETARY TO GOVERNMENT 4 OCT 1950 FOOD AND AGRICULTURE DEPARTMENT

28/9/50 28.9.50. 28/9/50 28/9/50 HM

27/9/50 29.9.50 (R. 24 [illegible])

4/10/50

10 AS

The Bd's T.m on p 19 of, and Coll's telegrams on p 21 and 23 of may be perused. The Collector has reported that the Stores accepted the profit margin of Re 0-10-3 per mura of rice and standard procurement work under protest. ~~In view of this it is for orders whether action in the direction of finding a substitute for the Stores may be taken for sanction & till a further report is received from the Collector of S Kanara.~~

Attention is also invited to the copy of the President, S.K.C.C. Stores addressed to the Collector of S. Kanara at pp 25-26 of ~~the Proceedings~~, requested the Collector to urge the Bd. to move the Govt. at once for the sanction of the full margin of Re 0-11-0 per mura of rice claimed by the Assn., or at least the Re 0-10-6 without recourse. The Collector's ~~further reports~~ remarks on their petition may be awaited till 11.10.50 for taking further action. For orders

gfe
5/10/50

In the meantime it is for consideration whether we may take action as at 'N' on p. 3 ante with a view to find a substitute for the Stores. Dev. may see for remarks

5-X-50.

5/10/50

5 Dev

TO AS

A draft memo ---------- submitted by Sealon for approval. Dev. may see before issue. Sgn

7/10/50 7/10/50 7 Dev

It is not our business to say that the management of the Stores should be overhauled or changed. Any such overhauling may not also be possible, unless serious irregularities on the part of the management have been brought to light. There is therefore no use in making such wild suggestions.

I presume, a scrutiny of the Administration Report or Audit Report of the Stores will show whether the Stores have been working at a profit or not. If I remember right, these stores have been our sole procuring agents for the last three years. Please call for a copy of the Administration Report or Audit Report in respect of the Stores for this period, if such reports have been issued after completion of audit. The Board should also be asked to consider the possibility of replacing the Stores by another agency, provided the latter could be found to be at least as efficient as the Stores and at the same time less costly in the sense, that it would be satisfied with smaller incidentals than what the Stores have been asking for. In doing so, there is no objection to suggest other possible agencies such as merchants displaced in Malabar etc. But the whole reference should be treated as strictly confidential.

MAS 9/10/50

FOURTH ASSISTANT SECRETARY TO GOVT. OF INDIA
12 OCT 1950
DEVELOPMENT DEPARTMENT

A' and B' above.

Draft memos. to the R.C.S. and the Bd. are submitted for approval. Dev. may see before issue

MAS 12/10/50

LA 11/10/50

S/ Dev.

Food & Agriculture

U.O.No. 6253-A/50-3 10.X.50.

D/12-

ASSISTANT SECRETARY
13 OCT 1950
FOOD AND AGRICULTURE DEPARTMENT
67839

Dr Secl. S

1033859-A

12/10/50

Dev/Deptt

Rev MrSPH.

Dr A+A Deptt. notes from page 7 above & the drafts below may be perused and the file may be returned to Fd+A. Deptt.

PPL M/13-10-50 Food Secy.

Dr 12/10/50

U.O.No. 10338/50-1 Dr 12/10/50.

13-10-50.

PJA.

The drafts below may now issue.

13.X.50.

issued as Memo. No 62533 A/50-4 Dt 14.10.50 } p27 cf
Memo. No. 62533 A/50-5 Dt 14.10.50 } pp 27-28 cf.

From the Collector of S. Kanara Lr. C No 16382/W7/50
Dated 12.10.50. pp 29-30 cf.

To AS

Please see the copy of letter from the Collector of S. Kanara on pp 29-30 cf addressed to the Bd. of Rev (W). The Bd's Knacks may be awaited. Rly 27.X.50.

It is submitted that the R.C.S. has been asked to furnish copies of Audit reports in respect of S.K.C.C.W Stores for each of the years since it took up procurement and distribution for the purpose of examination as to whether the Stores had really suffered a loss on account the low margin. Further the Bd. has been asked to examine the question of finding a substitute for the Stores in the district to take the procurement & distribution work. In these circumstances, copies of (records) reports from the R.C.S and the Bd's reports may be awaited till 29.10.50 and separate action seems called for on the advance copy of collr's report on pp 29-30 cf. To orders

Memo on p27 cf.

Memo on pp 27-28 cf

17/10/50

17/X.50

To AS

The reports called for from R.C.S and the Bd. have not yet been received. Two drafts reminders are put up below for approval.

20/10/50

31/X/50

pp 27-28 cf

Extract of order of Secy. from E file 16306 Apps

... We have already announced this increase from As 0-9-3 to 0-10-3 per md. in South Kanara District, and we cannot possibly go back on this. We have only to report to the Govt. of India that this has been done and ask for their concurrence. Please treat this matter as very urgent as it is necessary that orders will have to be issued with the least possible delay.

M.A.K.
15.11.50

O.M.

Please see order of Secy. extracted above. A draft letter to the Govt. of India is submitted below for approval.

Fin 9/11/50 The Society has accepted the increased allowance of 0.3 11/20.11.50. under protest. If they want 0.6 at least. The CCA has recommended the increase to 0.6. The BOD remarks on the Govt report have not yet been rcd. file has been reminded. It seems better to write to Govt after we finally decide this question. In fact, this point may form part of the letter which we have to write to Govt explaining the various allowances which we have sanctioned this year in fixing fortnightly etc prices.

I consider that for the reasons given by the Coll. at p 29 of the we may agree to enhance the allowance to 0.6 as an interim measure pending the BOD report.

Board's remarks
MGS 21/11/50

21/11/50

From the RD o/o Rev(S) Ref No 470/165/50-S dt 16.11.50. p 33 cf

To AS

W.r.t. Govt Memoranda to the R.C.S. and the Rd o/o Rev(S) on pp 27-28 cf, pl. see the reports from them on pp 33-37 cf.

The points raised in the RD's refce on p 33 cf are examined in the notes on pp 21-24 n.t. of top file. 2816 D A/50.

2/12/50

2.12.50

6/12/50

pl. see top file

4/12/50

extract of marginal remarks (if any) from file bearing current No. 2816 D A/50

Was this on paddy and rice alone or did they lose on these but made up this loss under other commodities? M

M.A.K.
4.12.50

To AS

W.r.t. 'M' above it is submitted that no information is available from the Audit reports. The R.C.S may be addressed in the matter. Subject to orders a draft memo is put up below for approval.

7.12.50

6.12.50

(Issued as Memo No. 62533 A/50-9 dated 12.12.50) pp 39-40 cf

From the R.C.S No. 166620/50-S2 dated 13.12.50 p 41 cf

To AS

The R.C.S has promised to send the report called for in memo on pp 39-40 cf by 18th instant. He may be reminded.

removed for view

Subject to orders a draft T.M is put up below for approval.

gn 18/12/50

18.12.50

(18/12/50)

p 43 cf

(issued as T.M on 18.12.50)

p 47 cf

From the Bd. of Rev'n, Ref. No. 90470-U5/50-4421b/57

To AS

Please see the Bd's report on p 47 cf and extract of Secy's note on p 51 cf. Food Secy. has noted that during the discussion which H.M (Food) had with the representatives of the S.K.C.C.W Stores on 6.1.51, H.M(Food) agreed to give the increase of 3 pies per mura of rice making the total margin Re 0-10-6 per mura. The Bd. of Rev'n has also recommended the above increase.

on p 51 cf

A on p 47 cf

Subject to orders a draft memo is submitted below for approval.

gn 10/1/51

Circulation seems necessary as H.M. (Food) has already agreed to sanction the increase

10.1.51.

(10/1/51)

Better to circulate again, with a short note

S mas 10/1/51

NOTE FOR CIRCULATION.

The file relates to the question of increasing the margin of allowance to the wholesalers in South Kanara District. The S.K.C.C.W.Stores, who are now the sole agents for procurement and distribution in that district, represented in their letter dated 22-6-1950 that the margin of Rs.0-9-3 per mura of rice then allowed to them was inadequate and that consequently they incurred heavy loss. They gave notice that they had intended giving up procurement agency at the end of the Kharif year 1949-50.

Subsequently the Board ~~has~~ reported that the Stores ~~have~~ completely stopped procurement and were not prepared to take it up until the Govt. orders increasing the margin of allowance were communicated to them. The question was taken up by the Govt. and after consulting the Board, it was decided in circulation to increase the margin of allowances from Rs. 0-9-3 to Re. 0-10-3 per mura of rice. It was also decided that, if the stores were not satisfied with the increase, the question of increasing it further would be considered The Collector of South Kanara was accordingly asked to offer the increase of 1 anna to the stores. He was also asked to examine and report the question of finding a substitute for the stores with a view to put an end to the recurring threat of stopping procurement which the stores was holding out against the Govt. The Stores pleaded that the increased margin of Rs.0-10-3 ~~ordered~~ since sanctioned by Govt. was still inadequate and requested that it ~~may~~ might be increased to at least Re. 0-10-6 per ~~maund~~ mura. The Collector recommended the acceptance of the request. He also reported that no private merchant was available to take up the procurement work.

On 6-1-51 the president of the wholesale Cooperative Stores South Kanara, waited on a deputation on H.M.(Food) to discuss the settlement of this claim as well as other claims. The C.C.S. and Food Secy., were also present at the interview. After some discussion, H.M.(Food) agreed to give the extra increase of 3 pies per mura making the total margin 0-10-6 per Mura. The Board has also recommended the increase for the reasons stated in para 1 of its report on p. 47 c.f. In these circumstances, it is proposed to increase the margin from Re.0-10-3 to Re.0-10-6 per mura and span it on the consumer. Subject to orders a draft Memo. is submitted below for approval.

The case may be circulated to H.M.(Food) for approval of the Draft Memo. below.

11/1/51 11.1.51 12/1/51 12/1/51

To AS

The draft memo below may now be

19/1/57 19.1.57 19/1/57

p 55 cf (Issued as Memo No 62533 A/50-12 dt 19.1.57)
p 57 cf from the R.C.S. Rc.No 16662 O/50. dt 2-1-57

Please see the R.C.S report on p57 cf in reply to Govt. memo. on pb39-40 cf. He has reported that as no separate accounts are maintained for procurement and other businesses, it is not possible to state whether the loss sustained by the Stores was on account of the loss in the general trading business. He has further reported that as the gross profit on account of procurement was only 1.66-1. on procured stock, whereas the cost of management represented 2-14. of the sales turnover, there are reasons to believe that the loss might have occured on account of procurement business. It is submitted that now that the Govt. have recognised this fact and since increased the margin to Rs 0-10-6 per mund, no further action seems called for on this question. The paper may now be recorded as C.O.MS 231 F&F dated.

p 57 cf

p. 55 cf

For orders

30/1/57 31.1.57 30/1/57 31/1/57

done 31/1/57

C.O.MS 231 dt. 7.2.57 GN

Procurement - Paddy and rice - S.K. District - procurement agency by the S.K.C.C.W. Stores - increase in the margin & allowance - ordered - papers recorded

7/2/57